

ECONOMICS OF MEXICAN-UNITED STATES RELATIONS DURING
THE REFORMA, 1854-1861

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PREFACE

This study is concerned with economic relations between Mexico and the United States and their impact on the more traditional diplomatic ties during the years from the beginning of the Reforma in 1854 to 1861 when the American civil war and the French intervention in Mexico brought an end to all but nominal political relations. Previous studies of American involvement in the Mexican economy during the nineteenth century have focused on the late Díaz period. Prior to this period Americans were assumed either to be unaware of or uninterested in the possibilities of developing Mexico's resources. During the decades before the American civil war, Americans were thought to have been too intent on territorial expansion, internal development, and the sectional controversy to give any consideration to economic developments in Mexico.

I first began to question this traditional view while doing research on "John Forsyth's ministership to Mexico" for a master's degree at Auburn University. This research revealed that Forsyth advocated converting Mexico into an economic protectorate of the United States and that without authority he negotiated treaties with Mexico which he believed would accomplish this objective. Since this research was limited to American sources, principally

diplomatic correspondence, I could not determine the extent to which Forsyth's efforts may have represented a response to a widely recognized need for closer economic ties between the two countries. Without evidence of private support in either country for closer ties and without some indication of the Mexican motives for signing the treaties and the interpretation that Mexico may have placed on them, I could not eliminate the remote possibility that the economic protectorate scheme had only been a product of Forsyth's fertile imagination. The unusual features of the treaties, the conditions under which they were negotiated, and Forsyth's claim that leading liberals favored a protectorate status for their country encouraged me to pursue the investigation into Mexican sources. Further encouragement came from Charles C. Cumberland's assessment, in Mexico: the Struggle for Modernity, that Díaz's success late in the nineteenth century in attracting foreign investment represented merely the execution of a long established and accepted policy.¹ Cumberland's statement also made me more aware of the need to be alert to indications of Mexican official encouragement to American capital.

Research into Mexican sources was directed to throw light on certain questions. What were the economic objectives of the leaders of the Ayutla revolution? What role was envisioned for the United States in Mexico's economic future? How effectively were these views translated into policy by the liberal governments? What private American

economic interests were involved in Mexico and what were their relationships with the governments of the respective countries? The results of this research coupled with investigations into American sources revealed complex patterns of activities, aspirations, and relationships tending to draw the two countries together.

Research revealed that the type of data necessary for the construction of statistical analysis of volume and nature of trade and investment was unavailable. Specific figures could be gleaned only for limited periods and activities, frequently even these were of doubtful veracity. As a result, no attempt will be made to quantify the economic relations but instead, emphasis will first be given to attitudes and activities of individuals, both private and official, who were prominent in promoting closer economic ties. After establishing the attitudinal atmosphere, the diplomatic relations between the two countries will be analyzed with reference to their effect on economic questions. In this analysis economic is defined broadly enough to include not only investment and trade interests pursued privately or officially but also the desire of the Mexican government to secure credit from private or official sources in the United States and the desire of the American government to utilize the financial distress of the Mexican government as a lever to force acceptance of American objectives. The activities of private American entrepreneurs are dealt with only as they impinge upon official relations. Finally the activities

increasing concentration of public energy and attention on its own domestic crisis made it impossible for the United States to provide Mexico with the security and credit it needed.

The diplomatic and consular archives of Mexico and the United States were used extensively in this study. Newspapers of Mexico City also proved a valuable source. The collections of papers of Ignacio comonfort, Benito Juárez, James Buchanan, Melchor Ocampo, and Matías Romero proved valuable, as did the scattered records of several private Americans involved in the Mexican economy.

NOTES

1 Charles C. Cumberland, Mexico: the Struggle for Modernity (New York: Oxford University Press, 1968), pp. 154-155.

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KEY TO ABBREVIATIONS USED IN CHAPTER NOTES

- AGN - Archivo General de la Nación, Mexico City.
- AHINAH - Archivo Histórico del Instituto Nacional de Antropología e Historia, Mexico City. This archive contains two collections of letters to Melchor Ocampo, mostly from José M. Mata, forming legajos 8-2 and 8-4 of "Papeles sueltos." Citations to these letters will identify sender, recipient, date, legajo, and document number, e.g., Mata to Ocampo, Sept. 10, 1859, 8-4-107, AHINAH.
- AMR - Archivo Matías Romero, Banco de México, Mexico City. This archive is divided into "cartas recibidos" (CR) and "cartas dirigidos" (CD).
- ASRE - Archivo de la Secretaria de Relaciones Exteriores, Mexico City.
- BP/PHS - Buchanan Papers, Pennsylvania Historical Society, Philadelphia.
- GC/UT - Garcia Collection, University of Texas, Austin.
CP, GC/UT - Comonfort Papers
GFP, GC/UT - Gómez Farías Papers
- JM - Juárez Manuscripts, Caja Fuerte, Biblioteca Nacional, Mexico City.
- MRE - Minister of Foreign Relations (Mexico).
- NA - National Archives, Washington.
NA/CD/Tam - Consular Despatches (Tampico).
NA/CD/VC - Consular Despatches (Veracruz).
NA/DD - Diplomatic Despatches (Mexico).
NA/DI - Diplomatic Instructions (Mexico).
NA/DN/Mex - Diplomatic Notes from Mexico.
NA/DPR - Diplomatic Post Records (Mexico).
NA/DPR/FM - Notes to Legation from Mexican government.
NA/RBO - Report of Bureau Officers.
NA/SM - Special Missions.

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Mexican liberals of the Reforma era were committed to achieving a broadly based transformation of Mexican life. They saw economic reform and modernization as the key to the regenerating process which they wished to undertake. The liberals looked to the United States as a model for their development programs and as a source for the capital and technology required. They sought to bring the two countries closer together and to convert Mexico into an economic protectorate of the United States. Generous grants were made to American citizens to develop and exploit the Mexican economy, especially in the field of transportation, and various laws were enacted to favor the American investor-entrepreneur in Mexico.

The United States, on the other hand, pursued a policy of territorial expansion toward Mexico. While American

businessmen and diplomats in Mexico favored a generous and protective policy toward Mexico, Washington, particularly during the Buchanan administration, proved unresponsive to economic considerations. The purchase of territory in north-west Mexico and unrestricted control over the Tehuantepec transit route were the official American policy objectives.

The diplomatic relations between the two countries was a contest to realize these conflicting objectives. Mexico sought to exchange valuable economic concessions for American protection and credit. The United States attempted to take advantage of the fiscal bankruptcy of strife-torn Mexico to secure land and transit rights. Twice, in the Forsyth treaties of 1857 and the McLane-Ocampo treaties of 1859, Mexico secured agreements with the United States which would have placed her under American protection and reserved her economy for American exploitation; each time Washington refused. The American policy had serious consequences for Mexico. The liberals, facing conservative revolts and the threat of European intervention, turned to their "natural ally," the United States for security and credit. The refusal of the United States to respond favorably weakened the liberal reformers, helped create the conditions leading to civil war, and contributed to prolonging that conflict. Responsibility for the failure to resolve the conflicting objectives in a more mutually beneficial way rested with the United States. The lack of effective and decisive leadership, the immaturity of the American capital market, and the

of private individuals, mainly Americans, are treated with special emphasis upon their relations with the respective governments and individual officials in these governments.

CHAPTER I ATTITUDINAL SETTING

The Plan de Ayutla, proclaimed March 1, 1854, set in motion a chain of events of profound significance for Mexico. The revolutionary standard, raised in Guerrero by the old liberal cacique Juan Alvarez, attracted the support of a new generation of Mexican liberals--a generation of politically active individuals with a unique vision of Mexico's past, present, and future.¹ With its support of the Ayutla revolution emerged victorious over the regime of Antonio López de Santa Anna in August 1855. The victorious liberals then embarked upon an ambitious program of reforms (La Reforma) designed to transform Mexico into the country of their dreams. Implementation of these reforms provoked a three-year civil war, 1858-1860, which in turn provided the setting for the French intervention of 1862 and the subsequent ill-fated empire of Maximilian.

The United States played a significant role in each stage and phase of these developments. The sale of territory to the United States by Santa Anna, in December 1853, was a factor in the origin of the Ayutla revolution; many of the civilian leaders of the revolt had been exiled to the United States by Santa Anna;² the revolutionists drew both moral and material support from sources in the United

States; the policy of the United States toward Mexico helped to mold the chain of events culminating in the French intervention; and, finally, the United States, both as an international power and as a model for economic, social, and political reforms, formed an inseparable part of the liberal vision of Mexico and its future.

Scholars have investigated the development of liberalism in Mexico during the first half of the nineteenth century and have identified many of the ties between Mexican liberal thought and the United States.³ The tendency of liberals to see the United States as a model for their political institutions has also been noted.⁴ The role of the United States in the evolution of the economic aspects of the Reforma prior to the hiatus created by European intervention in Mexico and civil war in the United States, however, has not yet been investigated.⁵

The decade of the Reforma was notable in nineteenth-century Mexico for several reasons. It witnessed sustained and conscious efforts to reject the historical past and attempts to move the country toward an idealized utopian future by restructuring institutions and regenerating society. The liberal governments of this decade were controlled for the most part by civilians--a unique occurrence between 1820 and 1910.⁶ Prior to the Reforma, independent Mexico had been dominated by generals who had gained prominence during the wars of independence, 1810-1821, most of them as royalist officers. The civil wars of the 1850's and the

contest of the 1860's against the French intervention and the Maximilian Empire gave birth to a liberal generation of generals who would dominate Mexico for the next half century. Between these two periods lies the Reforma--a period during which, with rare exceptions, civilians not only occupied the responsible positions in the liberal governments but also determined policy and wielded power.

Except for Juan Alvarez and Ignacio Comonfort, no principal liberal figure had significant military experience prior to the beginning of the Ayutla revolution in 1854. Even Alvarez and Comonfort were not professional military men in the traditional sense. To Alvarez, whose military activities dated back to the Morelos phase of the war for independence, military rank and responsibility were only a facet of a regional strongman or cacique. Comonfort's military experience had been limited to irregular involvement in the militia since the 1820's.⁷ While some future liberal leaders, such as Santos Degollado, Manuel Doblado, and Jesús González Ortega, gained military experience during the fight against Santa Anna, most key figures remained in the background until the end of the military phase of the revolution. Missing from the leadership ranks during the military phase were such individuals as Melchor Ocampo, Benito Juárez, Miguel and Sebastián Lerdo de Tejada, José María Mata, Antonio de la Fuente, and Francisco Zarco. This group emerged, however, as the key political figures in the liberal governments from 1855 to 1862, dominating even

those regimes headed by Alvarez (1855) and Comonfort (1855-1858).

This generation could not escape having its outlook colored by Mexico's relations with the United States during the preceding decades. Loss of territory in the north to the aggressive neighbor had left an indelible scar. More traumatic than even the loss of territory was the invasion and occupation of the Mexican heartland by the United States in 1847 and 1848.⁸ For the first time this brought many of the liberals, especially the younger ones, into direct contact with Americans⁹ and with their actions and attitudes. An affinity for the United States and an idealization of her political, economic, and social institutions had been a part of liberal ideology since Joel Poinsett's ministry to Mexico in the days immediately following independence. Most of the older liberals and many of the new generation had been members of the Yorkino masonic lodges promoted by Poinsett.¹⁰ The war with the United States, with the concomitant loss of territory and foreign occupation of the valley of Mexico, seriously challenged the idealized views of the United States held by many liberals.

One group of young and extreme liberals, or puros, including Manuel Doblado, Melchor Ocampo, Guillermo Prieto, Ponciano Arriaga, and Manuel Siliceo, opposed any peace settlement with the United States even after the fall of Mexico City. The liberal newspaper El monitor republicano had recommended in November 1846 that the war be fought by

means of guerrilla forces if necessary,¹¹ and when formal resistance collapsed during the fall of 1847, many puros took up the cry for continued resistance with irregular forces. Melchor Ocampo, governor of Michoacán, offered his state's manpower and resources for such an effort¹² and the Plan de Jarauta in 1848 attracted widespread puro support for a renewal of hostilities with popular forces.¹³ While these demands for resistance to the bitter end (guerra hasta el fin) have been interpreted as a pro-Yankee stratagem designed to force the United States to occupy all of Mexico and either annex it or establish a puro government supported by the occupation army,¹⁴ more dispassionate accounts¹⁵ credit the puros with a patriotism that preferred total defeat and the annihilation of Mexico to national dishonor. The resulting enmity did not vanish overnight with the coming of peace. Two years later the leading liberal newspaper, El siglo XIX, under the editorship of Francisco Zarco, still pursued an editorial policy hostile to the United States.

While the war may have embittered some liberals toward United States, many others came out of the war with a renewed and invigorated admiration for their recent foe. Some young liberals appear to have blamed their conservative compatriots for the war and its disastrous consequences rather than the expansive greed of their northern neighbors. The impressive ease of the conquest convinced many liberals that not only was the United States a worthy political model for Mexico, but that the enemy's surprising power was based

on social and economic institutions worthy of study and imitation.¹⁶

Some liberals, disillusioned with Mexico's chaotic history since independence, openly cooperated with the conquerors. The most notable example was found in the ayuntamiento of Mexico City during the American occupation.¹⁷ A group of twenty-one liberals, mostly puros, secured election to the ayuntamiento with the support of the occupation authorities. The puros of the group, led by Miguel Lerdo de Tejada, not only cooperated with their American overlords but also used the abnormal situation to launch a program of radical political, social, and economic reforms. The cooperative spirit shown by the ayuntamiento to the alien conquerors earned it the label of traitor.¹⁸

Even those directly involved in military action against the invaders did not always come away permanently hostile to Americans. José María Mata, a young Jalapa surgeon and officer in the guardia nacional, was captured during the battle of Cerro Gordo in 1847. When he refused the pledge not to take up arms again, the Americans shipped him to New Orleans as a prisoner of war. This involuntary trip had a great impact on the young officer; he returned to Mexico in 1848 as an avid admirer of the political, social, and economic institutions of his recent captors.¹⁹

While many Mexicans doubtlessly felt rancor toward the United States in the postwar period, this did not prevent the government of moderate José Joaquín de Herrera

from maintaining relatively cordial relations with the late enemy. Although such matters as disputes arising out of the recent occupation, Indian raids along the frontier, smuggling, inability to define the new boundary, and filibustering raids caused difficulties, the Herrera government was too occupied with the task of re-establishing internal peace to allow these questions seriously to disturb the surface calm of relations. Frightened that the caste war in Yucatán might trigger a general race war, Herrera asked for 4-5,000 American troops to assist the Mexican army in putting down servile revolts and maintaining internal order.²⁰ It was fortunate for Mexico that foreign policy traditions and domestic politics made it impossible for the United States to accede to this request; for if the Yankees had returned by invitation so soon after having gained access by force, the temptation to remain might have been insurmountable.

A relative calm also reigned in Mexican politics during these years. The Herrera administration, 1848-1851, drew from all areas of political opinion in an attempt to establish a coalition government capable of coping with the innumerable political and economic problems of the postwar period. Moderates, liberals, and puros joined in the effort for national unity, while most conservatives elected to remain aloof.²¹

The postwar calm also reflected a deep disorientation within political circles. Three decades of independence, consisting of what has been called "institutionalized

disorder,"²² capped by a rapid and humiliating defeat required a re-evaluation of past actions, present policies, and future objectives.²³ In part this consisted of mutual recriminations as each political faction sought to fix responsibility for the recent disasters on other shoulders. Each group could find convincing evidence that their opponents had been guilty of treasonous conduct during some stage of the conflict with the United States.

More important than the recriminations were efforts to analyze what factors had brought Mexico to her current sad state and to formulate plans for rescuing her. The newspapers, especially liberal journals such as El siglo XIX, El monitor republicano, and Don Simplicio, devoted their editorial columns to partisan but searching probes of the country's basic political, economic, and social institutions. The most telling indictment of Mexico's institutional structure, Consideraciones sobre la situación política y social de la republica mexicana, en el año 1847, resulted from the collective efforts of a group of young politicians, moderate and liberal, who took refuge in Querétaro when the Yankees occupied Mexico City in 1847.²⁴

Pessimism dominated much of this introspection. From across the political spectrum many agreed that the past thirty years had demonstrated Mexico's inability to govern herself, to establish social harmony, or to attain economic prosperity and progress. The only solution to such a state of affairs appeared to be for Mexico to place herself under

the tutelage of a foreign power. Conservatives looked to European powers, while the liberals favored the United States.²⁵ Under the leadership of Lucas Alamán the conservatives turned increasingly to the idea of a European-styled monarchy with sympathetic ties to Spain or France.²⁶ While much of the yearning for a foreign protector was a temporary symptom of the postwar syndrome, it was never totally absent from the political scene during the years between the treaty of Guadalupe Hidalgo in 1848 and the French intervention in 1862.

While the friendly protection of the United States was favored by many liberals, few saw such protection as adequate in itself to cure Mexico's basic problems. Having already rejected Mexico's colonial past, the liberals saw in national defeat and humiliation not only proof that the colonial institutions were disintegrating but also the need to rebuild these institutions along modern and progressive lines. To these liberals the protection of their northern neighbor would only help insure that they could capitalize on this opportunity to carry out a massive program of "regeneración."²⁷ As defined by Francisco Zarco, regeneration was a dual process, destroying the colonial order with one hand while constructing a new order with the other hand.²⁸

Many of the liberals and several of the puros accepted posts in the Herrera government, 1848-1851, and in that of Mariano Arista, 1851-1853, in hope of implementing their

projects for regeneration. Melchor Ocampo, Marcos Esparza, Ponciano Arriaga, and Guillermo Prieto were among the puros who held cabinet posts during these five years.²⁹ Despite their participation little was accomplished. Several factors contributed to this failure. Had the projects and plans been mature, which they were not, the deepening economic crisis and the concomitant fiscal crisis did not provide a setting conducive to major reforms. Also such a program required that the liberals and puros at least dominate, if not control, the government. They never acquired such a position in either the Herrera or the Arista governments. Thus they were forced to wait and to mature their thinking until 1855 and the triumph of the Ayutla revolution before they would have the conditions necessary for putting into effect their schemes for regeneration.

Progress was central to the liberal idea of regeneration, particularly economic progress. While liberals might disagree on many points, they all recognized the need for a prosperous and modern economy. While a few, notably those lead by Melchor Ocampo, may still have adhered to the dream of an agrarian democracy as expressed for the previous generation of liberals by Miguel Ramos Arizpe³⁰ and José María Luis Mora,³¹ most saw progress in terms of imitating the developments which they witnessed in the industrializing countries. D. A. Brading's recent assessment that in political terms the liberals felt "progress was synonymous with imitation . . . [and used] the United States for their model,"³² is equally valid in the economic arena.

While nineteenth-century Mexican liberalism has traditionally been seen as preoccupied with essentially political questions--individual liberties, federalism, constitutional democracy, and separation of church and state; liberal statements during the decade of the 1850's show an equal if not greater concern for economic questions. El siglo XIX and El monitor republicano devoted a significant amount of editorial space to economic affairs and on March 1, 1854, El heraldo, carrying the subtitle periódico industrial, agrícola, mercantil, de literatura y artes, was established as a liberal voice in Mexico City.³³ The latter newspaper, under the editorship of José A. Godoy, devoted its editorials, many written by leading liberals and purors, almost exclusively to economic questions.

Prior to accepting a position in the Santa Anna government in April 1853, Miguel Lerdo informed the president-designate of his ideas for solving Mexico's problems.³⁴ If, as certain facts suggest, Lerdo's subsequent participation in the Santa Anna government was done with the approval of the liberal leadership, this expression of views, in which Lerdo implicitly stated the conditions under which he would cooperate with Santa Anna, probably represented a consensus of liberal and puro opinion. While there is no positive evidence to substantiate this supposition, subsequent developments lend credibility to it. After the fall of Santa Anna the liberal press, including El heraldo and El siglo XIX, defended Lerdo for having served the dictatorship and

reprinted Lerdo's letter to Santa Anna. Furthermore, Lerdo held key positions in all the liberal governments between 1855 and his death in 1861. Perhaps most significantly, during the bitter 1861 presidential campaign when many of the puro leaders opposed Lerdo's candidacy and Ocampo publicly charged him with being a traitor to the cause of reform no mention was made of Lerdo's having cooperated with Santa Anna.³⁵

Lerdo informed Santa Anna that the recent revolution bringing the latter to power resulted from the same factors which had made Mexico's thirty-odd years of independence a continuing series of upheavals. The first factor, and the one emphasized by Lerdo, was economic: "The profound malaise which reigns in our society as a consequence of the errors and vices which plague its economic organization" (The other factors involved social anarchy and administrative incompetence). Such an economy, by suppressing commerce and the enterprising spirit and "obstructing . . . the free development of industry," creates a situation in which the working class [hombres dedicados al trabajo], lacking gainful employment, "seek in political revolts that which they cannot gain by other means."

Lerdo warned Santa Anna against accepting the advice of the elite and political active population as a valid expression of public opinion. Such advice represented only interests, frequently conflicting, of no more than a few thousand wealthy or upper class (clases elevadas) Mexicans.

"The true public opinion . . . which is nothing other than the expression of the needs of the great majority of the people, cannot be known without studying what are these needs . . . [and, since] unfortunately in Mexico the majority of the inhabitants neither comprehend nor know how to explain the evils [los males] that mar their happiness, it falls to an enlightened and just government to ascertain what they are in order to apply the appropriate remedies."

Having thus defined in rather sweeping terms his view of Mexico's primary problems and his concept of the role of government, Lerdo proceeded to elaborate a program of action for "an enlightened and just government" under Santa Anna. The primary requisite was an understanding that "its mission in society . . . is to promote by all the means at its disposal the general welfare of the nation" without ever subordinating itself "to the petty interests which surround it." With this mission firmly in mind the government should undertake, Lerdo asserted, a sweeping reform program in matters mainly social and economic.³⁶

Some of the recommendations made by Lerdo would have appealed to any Mexican regardless of political affiliation--for example, expanded colonization and improvements in transportation; while others, such as free trade and secular public education, had a decidedly more partisan appeal. Lerdo's socio-economic recommendations involved a positive role for government in stimulating immigration, removing restrictions from foreign trade, stimulating industrialization, abolishing

monopolies, improving transportation and communication facilities, freeing domestic commerce from restraints, establishing nationwide security for lives and property, and promoting public education free of clerical influence. These items, as amplified by Lerdo and others, formed the nucleus of most liberal thought and action in the social and economic areas for the next decade.

The Lerdo program of economic development struck a responsive chord with Santa Anna and his supporters; Lucas Alamán, conservative in political and social matters, recognized the need for economic innovation. Among the first acts of the new administration was the creation of a ministry of fomento (development) with responsibilities closely paralleling Lerdo's recommendations. Miguel Lerdo was appointed to the number two position in the new ministry where he quickly became the principal architect of various schemes to realize his proposals for progress.³⁷ In view of this and of the importance of Miguel Lerdo and his ideas in the liberal Reforma, his recommendations to Santa Anna warrant detailed analysis.

The need to stimulate immigration was probably the most widely accepted of Lerdo's recommendations. Even the most staunch conservatives, the monarchists, recognized this need, although they would disagree with liberals on the type immigrant desired and on his proper role in Mexico. According to Lerdo, European immigrants could serve a dual function: their skills were essential for tapping the great

resources of Mexico's vast territory, and by scattering the immigrants among the Mexican people "the education and customs" of the latter could be improved. He subscribed to the popular view that Mexico's lack of industriousness and low level of technological competence could be overcome only by the introduction of foreign colonists.³⁸ The two liberal newspapers El siglo XIX and El monitor republicano were particularly active between 1848 and 1853 in promoting colonization as a means of stimulating industriousness and a spirit of association within the Mexican population.

Throughout the early decades of independence the need for immigration had been rationalized on various grounds. Lorenzo de Zavala had seen American and north European immigration as essential for the growth of democratic political institutions.³⁹ Most liberals were convinced that it was essential for economic progress and national security. Vacant or sparsely inhabited lands not only represented unexploited resources, a condition synonymous with criminal neglect in the liberal lexicon, but such lands were also an open invitation to colonizing efforts of foreign powers and private filibustering interests. Conservatives as well as liberals were convinced by mid-century that Mexico's political survival was dependent upon filling up these lands. But they differed on the type immigrant desired and on the social, intellectual, and religious benefits which immigration would bring.

Emphasis on foreign immigration as essential to the

future of Mexico reflected the liberal rejection of both the Spanish and Amerindian heritage.⁴⁰ It carried an implied admission that without the infusion of north European blood the Indian, Spanish, and mestizo population of Mexico was incapable of acquiring the technological skills, social habits, and philosophical outlook essential for a prosperous modern economy. Among the leading liberal thinkers of the first half of the nineteenth century only Mora seemed to have had doubts about this proposition. He finally rejected it; not necessarily because of the racist theories involved, but because he feared that northern European colonists would have more affinity for the United States than for Mexico and would facilitate American expansion at Mexican expense.⁴¹

By the mid-1850's some of the liberals had begun to modify their public positions, if not their private beliefs, about colonization. On March 15, 1854, El heraldo carried a long editorial praising the colonization law recently enacted by the Santa Anna government. While recognizing that immigrants were of prime importance for the prosperity of Mexico, the editorialist explicitly denied that this involved any racial implication. A major impediment to economic prosperity was the scarcity of labor in Mexico, particularly skilled labor.⁴² This scarcity could be overcome by either of two methods--by natural population growth and education or by bringing in skilled adult immigrants. The editorialist emphasized the cost and delay involved in the former method

as compared to the speed and economy of the latter. He also sought to give colonization a humanitarian basis by stating that it reflected a noble Mexican desire to share its bountiful gifts from Providence with people from less fortunate areas.

While there was thus some retreat from the racism implicit in earlier liberal thought on immigration, there was little evidence of mid-century support for Mora's fear of non-Catholic north European immigration. The rise of anti-foreignism in the United States during the decades of the 1840's and 50's, particularly the Know-Nothing movement of the 1850's, was seen by the liberals as a golden opportunity to divert European immigrants from the United States to Mexico.⁴³ With this in mind, the liberals sent agents to Europe in 1856 to tap the stream at its source and others to the United States to encourage recent arrivals to move on the Mexico.⁴⁴

A close competitor with colonization for popular support in mid-19th century Mexico was the need for improved transportation and communication facilities, particularly railroads. During the decades since independence, Mexico's lack of an adequate transportation network had been advanced frequently as the key factor in the continuing stagnation of her economy. Foreign visitors of the 1840's and 1850's were loud in their comments on the poor state and frequent non-existence of Mexico's roads.⁴⁵

The absence of a good transportation system was seen

as having detrimental effects on all aspects of the Mexican economy. High transportation costs made unprofitable the export of most Mexican products other than precious metals. Ineffective transportation not only added to the cost of imported goods in interior cities but constituted an effective barrier to the development of a national market. Without a national market, industry could not develop and agriculture remained tied to restricted local markets. This situation would not change so long as the country's dominant form of transportation remained the pack mule. While a wagon road connected Veracruz, Mexico City, Querétaro, Guanajuato, and Guadalajara, even this route was passable only by pack trains during the rainy season and often during the dry season due to lack of maintenance.⁴⁶

By mid-century, liberals were advocating the development of transportation facilities as an economic panacea for Mexico. Lerdo, seeing railroad construction as the greatest stimulant to "the development of agriculture and national industry," called for generous government concessions to companies undertaking such projects.⁴⁷ Francisco Zarco, writing in El siglo XIX, claimed that much of the wealth and prosperity of the United States was attributable to its transportation facilities, particularly railroads, and recommended a policy of concessions patterned on those of the United States.⁴⁸ Until adequate railroads could be built, and then as a supplement to railroads, Zarco called for a national system of wagon roads to meet "one of the most

imperious needs of the republic."⁴⁹ The liberal organ, El heraldo, not only endorsed the idea that direct economic benefits would flow from railroads but saw their construction and operation as a magnet to draw highly skilled immigrants from Europe.⁵⁰ Nor were the liberals limited to talking about the need for better transportation: in Oaxaca Governor Benito Juárez was involved in building new roads and extending old ones,⁵¹ while in Michoacán Ocampo pursued a similar program.⁵²

Railroad construction was also an area in which the liberals were able to see, and claim credit for, some progress during the Santa Anna dictatorship of the 1850's. With Miguel Lerdo guiding developments from his position as oficial mayor of fomento the government granted a number of significant concessions during the period 1853-1855--significant more for their precedent-setting provisions than for the meagre construction activity resulting from them. The government gave concessions for railroads connecting Veracruz with the Pacific Ocean via Mexico City,⁵³ Mexico City with Santa Anna de Tamaulipas (Tampico),⁵⁴ Mexico City with Puebla via the Real del Monte,⁵⁵ the lower Rio Grande with Manzanillo,⁵⁶ the Upper Rio Grande with Guaymas,⁵⁷ and for an urban tramway from Mexico City to Villa Guadalupe.⁵⁸ Among the precedents established in these contracts were provisions designed to encourage and facilitate the work of the concessionaire such as exemptions from import and export duties for the purchase of needed material and equipment,

free use of public lands, long term exclusive privilege, exemption of railroad employees from military service, and freedom to raise capital in domestic or foreign markets. Certain interesting limitations were also imposed. The company and its foreign shareholders were to be considered Mexican and subject to Mexican laws. Several contained the provision that any attempt to claim foreign protection automatically nullified the grant, limits were placed on the amount of profit to be earned, and performance bonds were required of the concessionaires.

Significantly for the future, these pioneer railroad grants also outlined a beneficiary role for the government as representative of the Mexican nation. The government would receive preferential rates when using the lines--sometimes free use, sometimes half fare. Several of the concessions provided for the government to share in earnings. The amount stipulated varied from fixed annual payments to a percentage of profits (10-25%). Finally the concessions provided that at the end of a prescribed period (50-99 years) the railroads with their equipment would become national property.

Another noteworthy feature of some early railroad grants served not only as a precedent but gave some indication of liberal involvement and influence in the letting of concessions. Miguel Lerdo participated in drawing up all the concessions. In three of them, those for lines from Mexico City to Tampico, Puebla, and Villa Guadalupe,

one of the concessionaires, Manuel Payno, later asserted that his friendship with Miguel Lerdo was a significant factor in securing the contracts.⁵⁹ As will be seen later, personal and political ties between senior government officials and those individuals soliciting contracts from the government seemed to have been an accepted pattern.

The collapse of the Santa Anna regime and the establishment of a liberal government in 1855 only served further to arouse public enthusiasm for railroads. Newspapers launched a campaign praising the work of Miguel Lerdo and the fomento ministry under Santa Anna almost immediately.⁶⁰ Editorialists expressed their confidence that the new enlightened liberal administration would rapidly give Mexico the railroad system it so desperately needed and so justly deserved. The first grant made by the new administration, for a tramline from the Zocalo to Tacubaya, was made, in part at least, to prove the bona fides of the Ayutla revolution--to prove that it had not been just another political upheaval, "but rather that it represented the beginning of an epoch of progress."⁶¹

The inauguration of the line from Mexico City to Villa Guadalupe on July 4, 1857, evoked glowing tributes to the transcendent powers of the railroad.⁶² Manuel Payno, a liberal politician and one of the original entrepreneurs, soared to rare oratorical heights in the dedication ceremony. He noted that while some people claimed that efforts at material progress did nothing for the moral condition of man,

it is a sad mistake to think in this manner. There is no material improvement . . . which is not at the same time a moral improvement. Easy, cheap, and rapid communications naturally bring together the great social families called nations. Inter-course and frequent relations with other people makes man more sage, more humane, and more tolerant. If vices and defects are transmitted by this eternal law of assimilation, so are the virtues, and above all work, which is the fountain of honesty and morality for the families of the middle⁶⁹ class, . . . is developed on a prodigious scale.

Payno made the existence of railroads the sine qua non of progress and modernization. "If in the progress of nations we observe their commerce, their wealth, and their power increasing daily," Payno noted, "we must reflect that it depends on nothing other than the greater or lesser advance of their means of communication." When Payno attempted to describe what railroads would mean to the future of Mexico his imagination knew no bounds.

Let us think, and this is the moment to do it, what our beautiful country will be [like when it has] . . . a communication route of railroads beginning in Veracruz, passing through Mexico City, crossing the states of México, Querétaro, Guanajuato, San Luis, and Jalisco, terminating in one of the Pacific ports. . . . Mexico will be the prime market place of the world and the gold of California, the silks and ivory of China, the products of India, and the thousand manufactures of European industry will necessarily travel by this route, the most secure and most natural of those known between the Atlantic and the Pacific. What value will all our lands and cities have! Such a movement of passengers! Such a powerful impulse to our mining and agriculture! . . . The imagination is humbled and lost in contemplation of the infinite benefits which this work . . . will produce for the world and especially for our country.

Despite the numerous concessions granted and the public enthusiasm attending the completion of the first short

functioning line in Mexico, the liberals became increasingly aware that greater exertions would be necessary if Mexico hoped to reap these "infinite benefits" within the foreseeable future. Miguel Lerdo called for the government to make available large subsidies and free land in order to stimulate "the greediness of the speculators for these great and costly undertakings." No subsidy was too great if it resulted in the construction of the necessary railroads. Lerdo, in his plea, equated support of railroads, by both word and act, with patriotism.⁶⁴

This survey of liberals' thinking during the decade of the 1850's suggests that railroad expansion had become a universal passion among them, a passion that was elevated by many to the status of an unquestioned part of the natural law of progress. The characterization of the restored republic (1867-1876) as a period in which "widespread faith in the transforming powers of the railroad . . . crystallized in the national ideology"⁶⁵ applies equally well to the previous decade. The liberals of the earlier decade were just as firmly convinced that "a country without rails . . . was uncivilized and out of step with the modern march, while a country with rails was a land of progress, democracy, and economic health."

While many liberals, including Miguel Lerdo, have been termed free-trade advocates, no doctrinal unity existed on this question, and views apparently changed over time. Even Miguel Lerdo, who had the reputation as a doctrinaire

free-trade puro, often moderated his stand. While he endorsed the theory of free trade and saw it as a guarantee of international peace,⁶⁶ he also saw the necessity for limitations on it in Mexico. The interest of the consumers in low tariffs must be moderated, Lerdo felt, by the revenue needs of the treasury, which was heavily dependent on customhouse receipts, and by the need to protect fledgling industries.⁶⁷ Guillermo Prieto and El heraldo shared with Lerdo this pragmatic and realistic approach to tariff rates.

El heraldo linked low and moderate tariff rates with the solution of the long-standing problem of smuggling. While not alone in this,⁶⁸ El heraldo was a persistent voice in directing public attention to a connection between high tariffs and prohibitions, on the one hand, and the flourishing contraband trade, on the other. Smuggling, whether accomplished across the northern frontier, along deserted coasts, or through the established ports, was a multiple evil. It corrupted government officials, denied funds to the treasury, and drove legitimate trade from the market. Thus, in addition to the doctrinal and practical economic reasons for favoring low tariffs, El heraldo advocated them as the surest cure for ubiquitous clandestine commerce.⁶⁹

Doctrinaire free trade was not without its advocates in the liberal press. L. Pinal, not otherwise identified, addressed a classical plea to El heraldo. Industries unable to produce as cheaply as foreigners deserved no protection, and the welfare of consumers should be the only

criterion in determining tariff policy.⁷⁰ Zarco's editorials in El siglo XIX⁷¹ and the statements by Ignacio Ramirez and José Mata in the constitutional congress⁷² suggest a similar free trade position. But despite their many differences, most liberals, both doctrinaire and pragmatist, agreed that system of prohibitions and prohibitively high duties had to be replaced with lower and more reasonable rates.

Liberals also differed in theory and practice on the removal of restrictions from internal trade. Lerdo recommended the abolition of the two greatest restraints, monopolies and alcabalas (special sales taxes).⁷³ Both these practices were deeply ingrained in Mexico's colonial heritage and, although their detrimental effect on domestic commerce were widely proclaimed, their abolition was no easy task. Tradition, individual self-interest, and the need for government revenues had combined to defeat all previous effort to abolish these fiscally fecund systems. Thus by mid-century, while most liberals would support the abolition of monopolies and alcabalas as a matter of theory, they were also aware of the difficulties involved and of the dangers to public revenues.

The other recommendations made by Miguel Lerdo reflected the general attachment of liberals to progress. Their writings were filled with exhortations on progress. To some of them progress appeared as a scientific law. Prieto held that "political economy . . . has enclosed in its hands the great truths that make for the happiness of

mankind; it . . . brings in its throbbing lips the kiss of the fraternity of man; . . . it makes of free trade an evangelist of that universal harmony in which grows the peace of the Universe; it converts credit into the fountain of living waters for the regeneration of humanity . . ."⁷⁴ To Prieto, and occasionally Zarco, progress appeared as an inevitable product of a mechanistic universe, but a product whose realization could be hurried by intelligent adjustment of the parts of the mechanism.

There can be no doubt that science and technology fascinated mid-century liberals. Newspaper coverage indicates that most editors were constantly concerned with the task of disseminating scientific knowledge and technological advances. Material improvement committees (Juntas de mejoras materiales) actively worked toward this goal; fairs were held as a means of popularizing new advances; special concessions were offered to those who would introduce new and more effective machines and techniques of production. Several of the leading liberals seem to have had a personal fascination with the latest marvels of the machine age. Comonfort, Ocampo, and Mata all secured sewing machines while in the United States during the early 1850's, and the latter two men carried on a lively correspondence for months about the mechanics of operating these machines and on their future role in the Mexican home.⁷⁵ Mata's trips abroad were normally marked by his sending home to Ocampo, his father-in-law, and others, examples of new products and literature on new technology.⁷⁶

Laissez faire has been deemed a cornerstone of mid-nineteenth century liberal economic thought,⁷⁷ yet the points already covered suggest that most liberals would not be inflexible on this question. While Prieto, Ignacio Ramirez, Lerdo, and Zarco could assume the most adamant stands against government interference in the economy,⁷⁸ they could also recognize in specific situations the need for positive government action. Lerdo, for example, decided by 1857 that the laissez-faire approach would never result in adequate railroad construction in Mexico. He called for subsidies in the form of public land and revenues to stimulate construction and for the government to build and operate a short line at its own expense as a means of encouraging private activity.⁷⁹ Zarco as early as 1851 had suggested that some form of subsidy might be necessary.⁸⁰ It has been already noted that during the Santa Anna regime the fomento ministry under the guiding hand of Miguel Lerdo created precedent establishing relations between the government and railroad companies. By allowing the government to share in profits, to supervise and inspect planning and construction, to set maximum profits, and to become eventually the owners of the lines, these arrangements were hardly consonant with laissez faire. While some of these precedents were modified or abandoned under Reforma governments, the idea that government should and must take an active role in stimulating and guiding development in various economic areas was never abandoned.

Thus, both in matters of free trade and government intervention in the economic realm, one is tempted to apply to the leading liberal thinkers both the doctrinaire and pragmatic labels.⁸¹ Most of them had read their European economists with care and subscribed to their theories, even for Mexico. At the same time most were aware that these theories could not be applied to Mexico within the near future. In its initial issue El heraldo⁸² clearly set forth this position. While praising methods that had achieved success elsewhere it cautioned against their uncritical application to Mexico. While encouraging its readers to keep abreast of developments elsewhere, particularly in England and the United States, El heraldo felt that the necessary advances in "industry, agriculture, and commerce" could only be accomplished by the cooperative efforts of an enlightened and active government and open-minded and practical private efforts. Implicit in the presentation of El heraldo, and in the thinking of many liberals, was the belief that while classical ideas of free trade, laissez faire, etc. might not be applicable in Mexico at the present or within the immediate future, such a situation would not continue forever. Mexico must find her own path to development but once that status had been achieved doctrinaire economic theory would be applicable.

Although the liberal press, particularly El heraldo and El siglo XIX, warned against blind imitation of foreign models, the press itself was unable to resist the temptation.

In preaching the essential task of development it was hardly surprising that the editors should enlighten their readers with examples drawn from the already developed countries. Hardly an issue of the liberal papers during the mid-century period can be found which does not have some reference to foreign economic advances, those in England, Belgium, and the United States being the most frequently mentioned. While much of this content was intended to keep the public informed on the latest scientific and technological advances, it also served to place these countries before the public eye as models.

While the Mexican press appreciated the advanced stage of industrialization in England at mid-century, the United States was most often cast in the role of a model. The great disparity between conditions in Mexico and England appear to have been fully appreciated. Advances in manufacturing, railroad construction, etc., in England were described in terms of obvious admiration but frequently without any sense that these were feasible models for Mexico. Yet, very similar advances in the United States would often be presented in terms suggesting that these were somehow more plausible models for Mexico.

Probably the greatest impact of the United States as an economic model lay not in any specific development but rather resulted from the impressiveness of its total achievement compared to that of Mexico. The contrast between the dynamic, aggressive, prosperous economy of the United States

and the stagnant, decaying economy of Mexico stood out in sharp relief to the development-oriented liberals. Many of them had visited New Orleans where they had seen at first hand the workings of a more advanced economy. Also the rapid economic growth of Texas since its annexation by the United States was frequently commented on by the liberal press.

In specific terms, the transportation facilities of the United States were the element most frequently held up as an appropriate guide for Mexico. As early as 1850 Zarco cited the United States as his model in attacking toll roads and bridges.⁸³ The following year Zarco again referred to events in the United States to support his claim that liberal government concessions for railroad construction were essential for developing an adequate railroad system in Mexico.⁸⁴ As an example of inconsistency or ambivalence in liberal attitudes, it might be noted that during this same period Zarco opposed an extradition treaty with the United States because he feared Mexico's security and honor would be compromised.⁸⁵ Despite the inappropriateness of canal transportation to Mexico's mountainous and semi-arid terrain, frequent newspaper coverage was devoted to the economies of canal transport in the United States and to its possible application in Mexico.

Inseparable from the liberal admiration of the economic institutions of the United States was the prospect of an American protectorate over Mexico. As has already been

noted sentiment in favor of a foreign protector surfaced as a part of a post-defeat disillusionment. While liberals ceased to express pro-protectorate views publicly by the early 1850's the reappearance of such expressions during the first days of the Reforma indicates that the idea had not faded from their minds. Reading of liberal literature and an analysis of Mexico's history during the period suggest that most liberals did not favor a protectorate arrangement per se. Only when progressive reform seemed impossible without a protectorate or when the danger of a European protectorate in favor of the conservatives appeared imminent did the liberals openly advocate the establishment of a United States protectorate.⁸⁶

In characterizing liberal thought on the eve of the Reforma one can say that liberalism was dominated by a new generation whose outlook was in many respects more akin to that of later Mexican positivism than to the liberalism of the earlier generation. Stressing the importance of economic development and often giving it priority over political goals was a hallmark of the new liberalism. Infatuated with and extremely optimistic about man's ability to use science and technology to remake his social and economic institutions, liberals such as Guillermo Prieto verged on elevating progress through science to the level of a mystical religion.

That this emphasis on economic development threatened to overshadow efforts to achieve liberal political goals

alarmed at least one leading liberal. Shortly after the collapse of the Santa Anna government in August 1855, Francisco Zarco warned the readers of El siglo XIX against losing sight of the political goals of the revolution. Without belittling economic development and material progress Zarco sought to show that, in fact, these were unattainable without a stable and orderly political system. Even if one could realize all the desired development goals, Zarco argued, the results would be meaningless without the personal security, liberty, individual guarantees, and national confidence that could be produced only by constitutional democratic government.⁸⁷

The optimistic young liberals had compiled by 1855 an impressive list of material improvements to be pushed at the earliest opportunity, including roads, railroads, telegraph, river navigation, and port improvement. They had also determined to rid Mexico of chronic ills which they felt had blighted her economic growth--prohibition, protectionism, alcabalas, monopolies, smuggling, and the scarcity of capital and technology. On a more positive side they were committed to create a modern prosperous Mexico and to alter the quality of life through public secular education and a liberal immigration policy. Most of them also saw a need for government participation in the realization of these objectives.⁸⁸

Foreigners, particularly Americans, were admired and envied for their successes in the economic realm. Admiration for the United States, the use of her social and

economic institutions as models for Mexican development, and a realization that a United States protectorate over Mexico might be necessary and desirable under certain conditions often went hand-in-hand with fear of American power and expansive policies. A feeling of continental brotherhood was moderated by fear of the treatment Mexico might receive at the hands of an overly powerful brother.

Liberal Mexican concern with the United States was not reciprocated north of the border. In the United States during the years following the war no comparable public interest in Mexico, her developments, or relations with her existed. In contrast to the situation in Mexico, where hardly an issue of the leading newspapers lacked some reference to events and developments in the United States, coverage of Mexican affairs in the American press was infrequent and most notable for the ignorance displayed of the true nature of Mexican developments. Mexican coverage most frequently consisted of conflicting reports on political events.⁸⁹

The passing of Mexico from public prominence and the cooling of the annexationistic ardor of the "All Mexico" movement during the years following the termination of the war did not mean that the objectives identified so forcefully during this period ceased to have currency.⁹⁰ Manifest Destiny, reinforced by the vigor and idealism of a growing "Young America" sentiment, had allowed the "All Mexico" movement to place the need for American ascendancy

over Mexico on grounds that appealed simultaneously to national pride, purse, cupidity, and conscious. The annexation of Mexico was dictated by the need:

To remove a hostile neighbor in itself; to prevent it becoming a neighbor both hostile and dangerous in European hands; to enable us to command the Pacific and the Gulf of Mexico; . . . to develop for the benefit of ourselves and the world the ample resources of Mexico; to redeem the Mexican people from anarchy, tyranny, debasement; to redeem security, civilization, improvement; to keep Cuba from the hands of our cunning, indefatigable, unscrupulous rivals, the British; to facilitate the entire removal of those rivals from this continent; to open Mexico, as an extensive market to our manufactures, an extensive producer of that material [silver] through which we command the manufactures of Europe; to prevent monarchy from gaining any additional ground on the American continent, North and South, and thus to facilitate its entire removal.⁹¹

While these clearly defined, if somewhat optimistic, goals were formulated as rationale for annexation, some of them might be attainable without annexation. During the war when slavery and sectionalism had aroused spirited opposition to annexation, both President Polk and Secretary of State Buchanan advanced means short of annexation for attaining American ends. Polk suggested an indefinite military occupation,⁹² while Buchanan spoke of an ill-defined protection to assist Mexicans in establishing, "upon a permanent basis, a Republican Government."⁹³

During the following decade policies of both annexation and indirect controls were suggested as appropriate to be pursued toward Mexico. The former as a political objective survived in limited and restricted forms. Although the national movement to annex all Mexico collapsed quickly

when the peace terms made by Trist became public in 1848; the ghost of the idea still walked the land during the following decade.⁹⁴ Extreme devotees of expansion still called for adherence to our "Manifest Destiny." In 1850 DeBow's Commercial Review could still foresee a universal empire ruled from Washington.⁹⁵

Within both extremes of opinion on the slavery question were to be found advocates of expansion at the expense of Mexico. Some abolitionists, convinced that slavery could never flourish in Mexico, saw the annexation of Mexico as a step toward final solution of the sectional problem. Some pro-slavery groups were equally sure that the survival of their institution required southward expansion into Cuba, Mexico, and Central America.

The Democratic administrations of Pierce and Buchanan with which Reforma Mexico had to deal were inclined to pursue a policy of territorial expansion relative to Mexico. Such a policy was in accord with party traditions, Polk had established an example to be emulated, and hopefully such a policy would divert public attention from the growing sectional rift while holding the party together. Pierce, responding to the vigor of the "Young America" movement, promised in his inaugural message to pursue a policy unhampered "by any timid forebodings of evil from expansion."⁹⁶ Territory acquired by Gadsden in the treaty of 1853, while not as extensive as Pierce desired, was ample evidence of his lack of "timid forebodings." Buchanan's inaugural address

promised a new wave of expansion, either "by fair purchase or, as in the case of Texas, by the voluntary determination of a . . . people to blend their destinies with our own."⁹⁷ An embarrassingly full treasury at the beginning of his term and his strenuous efforts for four years proved inadequate to secure Mexican territory by either method.

Despite the partisan political calls on Manifest Destiny, most of which focused attention on Cuba and the Caribbean area rather than on Mexico after 1850,⁹⁸ there were significant manifestations of public interest in Mexico based largely on economic considerations. Following the acquisition of territories facing on the Pacific Ocean, and particularly after the discovery of gold in California, the matter of transcontinental communications became an item of national public interest which frequently involved Mexico. Both the northern and southern extremes of the remaining Mexican territory came to be seen as vital to the transportation needs of the United States. A dubious survey indicating that the best route for a railroad from New Orleans to California lay through the Mexican territory south of the Gila River culminated in the Gadsden Treaty of 1853, Pierce's one successful essay in expansion.⁹⁹ Greater public interest, with less positive results, was displayed in securing American access to and control of the transit route across the isthmus of Tehuantepec.¹⁰⁰

The importance of the Tehuantepec route rested not only on its shortness, relative to routes through United

States territory, and its presumed greater feasibility as a means of communication between the west and east coasts of the United States; but also on the assumption that such a route would facilitate American access to the markets of East Asia. The possibility of a transcontinental railroad within the United States and its advantages for trade with China had been discussed for years, but as a result of knowledge gained of the western terrain during the Mexican War serious doubts arose as to the feasibility of such a route and the cost and time required if it should prove feasible.¹⁰¹ In view of these doubts, the shorter, cheaper, and more quickly exploitable Tehuantepec route acquired tremendous appeal.

The hope, particularly in the South, that a transit across Tehuantepec would produce immediate advantages for American trade in East Asia was of great importance in spurring efforts to secure this route. For the Southern commercial conventions held during the decade of the 1850's "commercial expansion was necessary for the South."¹⁰² Several of these conventions endorsed the idea of a railroad across Tehuantepec as a part of their drive for direct trade and commercial development. Because of its proximity to Gulf ports, the Tehuantepec route was favored by Southerners over all others. New Orleans interests, speaking through DeBow's Commercial Review, envisioned a Tehuantepec railroad as an essential element in a broad program to gain for their port a leading position in world trade.

The Southern drive for commercial expansion, while

clearly a facet of the broader domestic sectional struggle, involved certain basic economic objectives. First, in order of importance, was a desire to escape the commercial, financial, and economic domination by the North. Southern newspapers played on the theme that the South had been reduced to a backward colony of Northern economic interests. In addition to freeing itself from Northern controls, the South hoped to find foreign markets that it could dominate. The Montgomery Convention in 1858 called for Southern commercial expansion into Latin America on the grounds that "the less exploited the field, the greater would be the South's chance of controlling the commercial destiny of that field."¹⁰³ James Gadsden, a Southern railroad promoter, constantly called for measures to reduce the Gulf of Mexico to an American lake. United States control of Florida combined with the acquisition of Cuba and the Yucatán would make the British position in the West Indies untenable and open the area to commercial exploitation from Southern Gulf ports.¹⁰⁴

Desire for an enhanced economic role for the United States in Mexico was not limited to the South. A proposal in 1858 for Congress to subsidize a regular steamer service between Mobile, New Orleans, and the Mexican Gulf ports elicited nonsectional support for an expansion of American economic influence in the area. Declining American trade with Mexico and a corresponding increase in the dominant position of the British in this trade were seen as both unnatural and undesirable by congressional spokesmen from

all areas. Senator Toombs of Georgia and Senator Wilson of Massachusetts agreed that "our India is south of us on this continent."¹⁰⁵ Senator Benjamin of Louisiana supported the proposed mail steamer service as a step designed to create for the United States "a pre-eminent moral power, a commercial power, [and] a power over public opinion" in Mexico; a power the United States must have if it wished to control the political future of Mexico.¹⁰⁶ The following session of congress saw the house post office committee call for a network of mail steamers to all Latin American areas. Such a network "with the proper encouragement from the government, would make our people actually, as naturally, almost their [Latin America's] sole furnishers, carriers, traders and bankers."¹⁰⁷ Expanded American economic activity in Mexico, as well as elsewhere in Latin America, was not only seen as a natural development but also one that would facilitate the spread of American political influence and ideology and bring about a corresponding weakening of European, particularly British, influences.

During the decade of the Reforma an increasing number of Americans went to Mexico and involved themselves in Mexican developments. Some came with no discernible impulse other than a romantic wanderlust; others as entrepreneurs, speculators, and financiers attracted by the prospects of profit.¹⁰⁸ Some looked for a better life equipped with only their skills and energy, and occasionally there appeared Americans with skills and/or capital who saw in their drives

for profits an opportunity to accomplish greater objectives-- to assist in regenerating the Mexican life and in bringing Mexico into a new and mutually beneficial relationship with the United States. Lastly it must be noted that this decade saw an unprecedented number of American filibusterers drawn to Mexico; some answering a vaguely understood call of Manifest Destiny, some motivated apparently only by their desires for glory and profit, others representing that floating population of frontier America who were always ready for excitement and adventure.

From this survey of conditions at mid-century it becomes clear that attitudes existed in both countries which would give a unique character to relations between Mexico and the United States during the decade of the Reforma. In Mexico a new generation of liberal leaders emerged determined to remake the face of Mexico. They were attracted to the United States by various factors--feelings of hemispheric brotherhood, admiration for American political, social, and economic institutions, attractiveness of American prosperity and technological advances, and a feeling that the brotherly shadow of the United States would protect their reforms from foreign and domestic enemies. Their attraction was moderated by an awe of American power and a fear of her expansive policies. In the United States this period saw the continuation in moderated form of many of the expansionistic ideas that earlier had given life to Manifest Destiny and had spawned the "All Mexico" movement. There was

an upsurge of interest in the transcontinental transportation possibilities in Mexico and an awakening interest in the commercial and economic potential of Mexico. The problem of how to exploit for the benefit of the United States the political and economic potential of Mexico without annexation had also received increasing attention.

NOTES

1 The passing of an older generation of liberal leaders is noted by Charles A. Hale, "The War with the United States and the Crisis in Mexican Thought," The Americas, 14(1957), 161.

2 Benito Juárez, Melchor Ocampo, José M. Mata, Ponciano Arriaga, and Miguel Arriola were among the members of a revolutionary junta which functioned in New Orleans during 1854-55.

3 Charles A. Hale, Mexican Liberalism in the Age of Mora, 1821-1853 (New Haven: Yale University Press, 1968); Jesús Reyes Heróles, El liberalismo mexicano, 3 vols. (Mexico City: Universidad Nacional Autónoma de México, Facultad de Derecho, 1957-61); D. A. Brading, "Creole Nationalism and Mexican Liberalism," Journal of Interamerican Studies and World Affairs, 15(1973), 139-190.

4 Brading, "Creole Nationalism," pp. 145-153.

5 Post empire developments are treated in the appropriate volumes of Daniel Cosío Villegas, ed., Historia moderna de México, 8 vols. (Mexico City: Editorial Hermes, 1955-65).

6 Brading, "Creole Nationalism," pp. 144-150.

7 Rosaura Hernández Rodríguez, Ignacio Comonfort: trayectoria política. Documentos (Mexico City: Universidad Nacional Autónoma de México, Instituto de Investigaciones Históricas, 1967), pp. 65-66.

8 Hale, "War and Crisis," pp. 153-173, explores the resulting crisis.

9 American as either a noun or adjective relating to the United States is used with full realization that many Mexicans and other Latin Americans view this as a misappropriation of a hemispheric label. Since English usage has no adequate substitute for American, the term will be used to avoid awkward circumlocutions. If this work were appearing in Spanish the more appropriate estadounidense could be used.

10 James Fred Rippy, Joel R. Poinsett, Versatile American (Durham: Duke University Press, 1935), pp. 121-128.

11 Nov. 21, 1846, cited in Reyes Heróles, Liberalismo, 2:376.

12 José C. Valades, Don Melchor Ocampo, reformador de México (Mexico City: Editorial Patria, 1954), 176-184 and Melchor Ocampo, Obras completas de Melchor Ocampo; vol. 2, Escritos políticos, prologue Angel Pola (Mexico City: F. Vazquez, 1901), 263-276.

13 Diccionario Porrúa de historia, biografía y geografía de México, 3rd ed. (Mexico City: Editorial Porrúa, 1970), 1:1112.

14 José Fuentes Mares, Santa Anna. Aurora y ocaso de un comediante, 3rd ed. (Mexico City: Editorial Jus, 1967), pp. 238-253.

15 Luis G. Zorilla, Historia de las relaciones entre México y los Estados Unidos de América, 1800-1958, 2 vols. (Mexico City: Editorial Porrúa, 1966), 1:205 and 215; Wilfred Hardy Callcott, Church and State in Mexico, 1822-1857 (Durham: Duke University Press, 1926; reprint ed., New York: Octagon Press, 1965), p. 196; and Reyes Heróles, Liberalismo, 1:376-380.

16. Hale, Age of Mora, pp. 207-214.

17 Dennis E. Berge, "A Mexican Dilemma: the Mexico City Ayuntamiento and the Question of Loyalty, 1846-1848," Hispanic American Historical Review, 50(1970), 229-256, is the most objective treatment of this question.

18 Alejandro Villaseñor y Villaseñor, Anton Lizardo. El tratado de MacLane-Ocampo. El brindis del desierto (Mexico City: Editorial Jus, 1962), pp. 171-297 and Zorilla, México y los Estados Unidos, 1:209.

19 Rafael Murillo Vidal. José María: padre de la constitución de 1857 (Mexico City: Secretaría de Educación Pública, 1966), pp. 3-5.

20 Zorilla, México y los Estados Unidos, 1:239-251.

- 21 Reyes Heróles, Liberalismo, 2:388-391.
- 22 Brading, "Creole Nationalism," p. 143.
- 23 Hale, "War and Crisis," pp. 153-173.
- 24 (Mexico City: Valdes y Redondas, 1848).
- 25 Reyes Heróles, Liberalismo, 2:379-387.
- 26 Reyes Heróles, Liberalismo, 2:391 and Jorge Gurria Lacroix, Las ideas monárquicas de don Lucas Alamán (Mexico City: Instituto de Historia, 1951), passim.
- 27 Consideraciones, passim.
- 28 Reyes Heróles, Liberalismo, 2:388.
- 29 Reyes Heróles, Liberalismo, 2:389-390 and Diccionario Porrúa, 1:870-872.
- 30 Miguel Ramos Arizpe, Memoria sobre el estado de las provincias internas de oriente (Mexico City: Universidad Nacional Autónoma de México, 1932), p. 83.
- 31 José María Mora, Méjico y sus revoluciones, 3 vols. (Mexico City: Porrúa, 1950), 1:45-47.
- 32 Brading, "Creole Nationalism," p. 150.
- 33 It seems hardly coincidental that the Plan of Ayutla was issued on the same day.
- 34 Letter, Apr. 18, 1853, in El heraldo (Mexico City), Sept. 9, 1855.
- 35 Diccionario Porrúa, 1:1174, refers to Lerdo as the liberal representative in Santa Anna's government.
- 36 There was some reference to reforms in the army, clergy, and public administration.
- 37 "El Ministerio de Fomento," El heraldo (Mexico City), Oct. 13, 1855, p. 2. For the evolution of Alamán's ideas on economic development see Hale, Age of Mora, pp. 249-280.
- 38 For discussion of liberal dedication to colonization see Hale, Age of Mora, passim and Brading, "Creole Nationalism," passim.
- 39 Brading, "Creole Nationalism," p. 150.
- 40 A point made by both Hale, Age of Mora, pp. 246-247, and Brading, "Creole Nationalism," p. 175.

41 Hale, Age of Mora, pp. 211-212.

42 While much of this scarcity of skilled labor was doubtlessly the result of natural causes, it was aggravated by the army recruitment policies under Santa Anna. Alphonse Dano, the French chargé, reported, Jan. 4, 1854, that as a result of recruitment practices "workers flee to the mountains, preferring the life of privation there over that of submitting to the law of recruitment." Lilia Díaz, ed., Versión francesa de México: informes diplomáticos, 4 vols. (Mexico City: El Colegio de México, 1963-67), 1:88-93.

43 The clearest statement of this hope was contained in El heraldo (Mexico City), Mar., 31, 1856, p. 3.

44 El heraldo (Mexico City), June 25, 1856, p. 2. Colonization efforts will be developed in greater detail later.

45 Waddy Thompson, Fanny Calderón, Gabriel Ferry, and Mathieu de Fossey are examples of these foreign commentators.

46 An excellent treatment of transportation facilities and their effect on Mexico's economy is given in special consular report, John T. Pickett, Mar. 22, 1854, NA/CD/VC.

47 Miguel Lerdo to Santa Anna, Apr. 18, 1853, in El heraldo (Mexico City), Sept. 9, 1855.

48 Feb. 20, 1851.

49 El siglo XIX (Mexico City), Oct. 22, 1849.

50 Dec. 11, 1854.

51 Charles Allen Smart, Viva Juarez: a Biography (Philadelphia: J. B. Lippincott Company, 1963), p. 93.

52 Ocampo, Obras, 2:65-68.

53 Manuel Dublán and José Lozano, Legislación mexicana o colección completa de las disposiciones legislativas expedidas desde la independencia de la República, edición oficial, 45 vols. (Mexico City: Imprenta del Comercio de Dublán y Chávez, 1876-1910), 7:79-80.

54 Dublán and Lozano, Legislación, 7:469-471.

55 El heraldo (Mexico City), Jul. 24, 1855.

56 Dublán and Lozano, Legislación, 7:336-341.

57 Dublán and Lozano, Legislación, 7:245-256.

58 Ernesto de la Torre Villar, "La capital y sus primeros medios de transporte: prehistoria de los tranvías," Historia mexicana, 9(1959-60), 231.

59 Manuel Payno, Memoria sobre el ferrocarril de México á Veracruz (Mexico City: Imprenta de Nabor Chávez, 1868), pp. 26-27.

60 See El siglo XIX (Mexico City) and El heraldo (Mexico City) for Aug.-Oct. 1855.

61 Ernesto de la Torre Villar, "El ferrocarril de Tacubaya," Historia mexicana, 9(1959-60), 377-378. This article and Torre Villar's previously cited article contain an excellent analysis of the development of urban railroads in the Mexico City area and ably reflect the extent to which the liberals saw railroads as harbingers of approaching utopia.

62 This short line although serving for several years as a local tramway was initially designed to be and eventually became a part of the line connecting the capital with Veracruz.

63 El siglo XIX (Mexico City), July 7, 1857.

64 Letter, Sept. 30, 1857 to El heraldo (Mexico City), Oct. 6, 1857.

65 Frank A. Knapp, "Precursors of American Investment in Mexican Railroads," Pacific Historical Review, 21(1952), 44-45.

66 Miguel Lerdo de Tejada, El comercio exterior de México desde la conquista hasta hoy (Mexico City: Rafael, 1853), pp. 28-31.

67 Lerdo, El comercio, passim; Lerdo to Santa Anna, Apr. 18, 1853 in El heraldo (Mexico City), Sept. 9, 1855; and Lerdo to Juan Alvarez, Dec. 7, 1855, in El heraldo (Mexico City), Dec. 28 and 29, 1855.

68 See numerous editorials in El siglo XIX (Mexico City) on "contrabando."

69 See various editorials on smuggling, especially that of Oct. 6, 1857.

70 Dec. 3, 1857.

71 Especially that of Oct. 28, 1855.

72 Francisco Zarco, Historia del congreso extraordinario constituyente [1856-1857] (Mexico City: El Colegio de México, 1956), pp. 919-922.

73 Lerdo to Santa Anna, Apr. 18, 1853 in El heraldo (Mexico City), Sept. 9, 1855.

74 Quoted in Jesus Silva Herzog, El pensamiento económica, social y política de México, 1810-1964 (Mexico City: Instituto de Investigaciones Económicas, 1967), p. 241.

75 Various references to sewing machines and washing machines are found in Comonfort's accounting of his expenditures in the United States during the 1854 trip, CP, GC/UT. There are several letters between Ocampo and Mata on sewing machines in Ocampo Papers, AHINAH.

76 For example Mata sent Ocampo and Juárez samples of interoceanic telegraph cable, Mata to Ocampo, Sept. 10, 1858, 8-4-107, AHINAH.

77 Walter V. Scholes, Mexican Politics During the Juárez Regime, 1855-1872 (Columbia: University of Missouri Press, 1957), pp. 1-2.

78 Silva Herzog, Pensamiento, pp. 234 and 245.

79 Letter in El heraldo (Mexico City), Oct. 6, 1857.

80 El siglo XIX (Mexico City), Feb. 20, 1851.

81 Used for semi-exclusive categories by Hale, Age of Mora, p. 249.

82 Mar. 1, 1854.

83 El siglo XIX (Mexico City), Sept. 6, 1850.

84 El siglo XIX (Mexico City), Feb. 20, 1851.

85 El siglo XIX (Mexico City), June 4, 1850.

86 Protectorate schemes will be dealt with in detail later.

87 Oct. 28, 1855.

88 See Lerdo to Alvarez, Dec. 7, 1855, in El heraldo (Mexico City), Dec. 28 and 29, 1855; and El siglo XIX (Mexico City), Oct. 28, 1855.

89 The New York Times for the period 1851-1862 had almost no non-political coverage and demonstrated the

superficiality of its knowledge by consistently endowing Mexican politicians with military ranks--including generals Valentín Gómez Farías and Benito Juárez. President Buchanan displayed this same weakness in his repeated references to "President General Juárez," James Buchanan, Mr. Buchanan's Administration on the Eve of the Rebellion (New York: D. Appleton and Company, 1866), pp. 244-245.

90 The "All Mexico" movement is the subject of John Douglas Pitts Fuller, The Movement for the Acquisition of All Mexico, 1846-1848 (Baltimore: Johns Hopkins Press, 1936), and is best summarized in Frederick Merk, Manifest Destiny and Mission in American History: A Reinterpretation (New York: Alfred A. Knopf, 1970), pp. 107-201.

91 Public Ledger (Philadelphia), Jan. 25, 1848, quoted in Merk, Manifest Destiny, pp. 124-125.

92 James D. Richardson, A Compilation of the Messages and Papers of the Presidents, 1789-1897. 10 vols. (Washington: Government Printing Office, 1896-99), 4:545-546.

93 Letter in Union (Washington), Dec. 24, 1847, quoted in Merk, Manifest Destiny, pp. 119-120.

94 Merk, Manifest Destiny, p. 209.

95 Quoted in Richard W. Van Alstyne, The Rising American Empire (New York: Oxford University Press, 1960), p. 152.

96 Richardson, Messages and Papers, 5:198.

97 Richardson, Messages and Papers, 5:435-436.

98 Merk, Manifest Destiny, pp. 202-227.

99 The most complete treatment of this treaty is Paul Neff Garber, The Gadsden Treaty (Philadelphia: University of Pennsylvania Press, 1923).

100 Diplomatic efforts to secure this route during the period 1848-1860 are summarized in James Fred Rippy, "Diplomacy of the United States and Mexico Regarding the Isthmus of Tehuantepec, 1848-1860," Mississippi Valley Historical Review, 6(1912-13), 503-531; and Edward B. Glick, Straddling the Isthmus of Tehuantepec (Gainesville: University of Florida Press, 1959).

101 Merk, Manifest Destiny, pp. 128-131.

102 William Watson Davis, "Ante-bellum Southern Commercial Conventions," Transactions of the Alabama Historical Society, 1904, 5(1906), 153-202.

103 Davis, "Commercial Conventions," p. 187.

104 See particularly Gadsden's comments on this topic as reported by the French minister, Jean Alexis de Gabriac, in Díaz, Versión francesa, 1:163-165.

105 Carlos Butterfield, United States and Mexican Mail Steamship Line: Statistics on Mexico (New York: J. A. H. Hasbrouck & Co., 1860), p. 86.

106 Butterfield, Steamship Line, pp. 87-89.

107 Butterfield, Steamship Line, pp. 44-45.

108 Based on surveys of spotty listings of foreigners arriving at Mexican ports contained in "movimiento marítimo," AGN; and of only slightly more complete listings of passports issued by the American consulates in Mexico City and Veracruz, NA/CD/MC and VC.

CHAPTER II

THE REVOLUTION OF AYUTLA AND THE BASES OF LIBERAL DIPLOMACY

Santa Anna, whose overthrow was the immediate objective of the revolutionary plan proclaimed at Ayutla on March 1, 1854, retained power until August 8, 1855, when, fearing that his route to the sea might soon be closed off, he abandoned both Mexico City and the political power he had so often held. Despite having the enemy yield the field without a last decisive battle, the revolutionists dallied for almost two months before organizing a government; Alvarez was chosen interim president on October 4, 1855. Another two months passed before the new government was firmly established. Although some twenty-one months elapsed after the beginning of the revolution before the liberals had a government capable of conducting normal diplomatic relations, they were not as leisurely in developing external economic ties. From the very beginning the Ayutla revolution, by both action and ideology, attracted foreign economic attention. By the time the military task of ousting Santa Anna had succeeded a pattern of economic policies, attitudes, and relationships relative to the United States had emerged which would underlie economic and political relations between the two countries until 1861 when civil war in the United States and foreign intervention in Mexico disrupted all meaningful relations.

High tariffs, import prohibitions, and other restraints on internal and external trade were issues which could be exploited for political purposes in Mexico during the 1850's. The desire for greater freedom of trade was a factor in the unrest which resulted in Santa Anna being returned to power in 1853. Several of the port cities, led by Veracruz, acted on their own to reduce tariff levels and remove import restrictions.¹ Juan Ceballos, interim president after the resignation of Mariano Arista, vainly sought to forestall Santa Anna's recall by acceding to demands for greater freedom of trade. On January 29, 1853, Ceballos decreed a provisional measure lifting prohibitions and sharply reducing the average level of tariffs.²

Santa Anna, ignoring the advice of Miguel Lerdo,³ reversed the trend toward freer trade. Not only did he re-establish prohibitions and high tariff rates, but he also took other steps destined to cause discontent in commercial circles. In addition to making radical and unanticipated changes in customs regulations, Santa Anna created havoc by selling or giving permits to his favorites for the import of merchandise and the export of specie at greatly reduced rates.⁴ A navigation act of June 24, 1854, severely penalized foreign vessels bringing to Mexican ports merchandise produced in a third country.⁵ The French chargé reported that it took Santa Anna only a year to destroy completely the commercial prosperity of Mexico's port cities.⁶ Santa Anna's mismanagement produced such economic distress that

when news of Alvarez's pre-Ayutla uprising of January 21, 1854, reached the capital, the French diplomat had no doubt that this was a "true revolution" representing the interests of the port cities and coastal regions. "The re-establishment of the federal system is seen with indifference but the situation in commercial matters has become so intolerable that they will not hesitate to take any measure offering relief."⁷

Since a foreign diplomat found economic discontent so obviously a justifiable reason for revolt, the reluctance of the revolutionists to identify it as such is difficult to understand. The Plan de Ayutla relegated economics to the last article and then yoked it in a secondary position to a provision on the future role of the army. After promising that the army would not be destroyed, article 6 pledged the interim government "to protect the freedom of internal and external commerce, issuing as soon as possible tariff schedules to be observed. In the meantime the maritime custom-houses will be controlled by that [schedule] published by the Ceballos administration." This rather weak gesture toward free trade was the only nonpolitical item in the plan issued at Ayutla.

On March 11, 1854, the Ayutla plan was restated in amended form by the Plan de Acapulco. The latter, issued by Comonfort and reflecting the commercial interests of that southern port, made two important nonpolitical contributions to the earlier revolutionary statement--a stronger commitment to free trade and a clear endorsement of "progress" as

a revolutionary objective.⁹ The provisions relative to commerce were expanded and separated from those dealing with the army. Commerce was now defined as "one of the sources of public wealth and one of the most powerful elements for the advancement of civilized nations." The interim government was committed "immediately to provide [for commerce] all the liberties and privileges which are necessary for its prosperity." To achieve "commercial prosperity" the government was required to establish quickly an appropriate new tariff schedule which could be no less liberal than the Ceballos tariff. Until the new schedule could be established the Ceballos tariff would be observed in both the maritime and frontier customhouses. Later liberal concern with the economic development of the frontier area suggests that its inclusion was not just a casual matter of form.

The power of the interim president was also amended to give him more authority and to make him responsible for national progress and prosperity. The Ayutla plan had merely provided the interim president with "ample powers to attend [atender] to national security and independence and for the other branches of public administration." This provision as amended by Acapulco provided that "the interim president . . . will be immediately invested with ample faculties to reform all branches of public administration, to attend to the security and independence of the nation and to promote whatever is conducive to its [the nation's] prosperity, aggrandizement, and progress." Broad

presidential powers were expressly limited only by a requirement to respect the inviolability of individual guarantees.¹⁰

The hesitancy of Alvarez and his advisors to commit themselves to a program of freer trade is even more difficult to understand in view of the free trade decree issued by Alvarez eight days before the appearance of the plan of Ayutla. At Chilpancingo on February 22, 1854, Alvarez ordered that goods imported through Acapulco or other ports in revolt be assessed according to the provisions of the Ceballos tariff. Goods not covered by the Ceballos tariff would pay a duty of $12\frac{1}{2}\%$ of value. The decree was a war measure designed to finance the uprising, as indicated by a provision giving a 30% discount on duties to merchants who would pay immediately for goods to be imported at some future date.¹¹ Alvarez was apparently prepared to use lower tariffs as a war measure to gain support in port areas but feared to include a strong low tariff statement in a revolutionary plan designed for a national audience. The influence of Comonfort and the Acapulco commercial interests was apparently sufficient to convert free trade from a reluctantly publicized war measure into prized element of the revolutionary arsenal.

The Ayutla revolutionists recognized what the French chargé had realized earlier, that economic and commercial discontent under Santa Anna was a great reservoir of potential support which must be exploited to insure the success of the revolt.¹² Convinced that further economic

liberalization would be advantageous, Comonfort ordered, on July 31, 1855, that the Alvarez decree of the previous year be observed in the port of Manzanillo. He also prohibited the collection of alcabalas and consumption taxes in the areas under his command.¹³

When political ambitions left Mexico without a government for weeks following the fall of Santa Anna, Comonfort seized the initiative by issuing a decree of wide economic impact. From his military headquarters at Guadalajara on September 5, 1855, Comonfort, possibly with a eye on the contest for the presidential office, applied a modified version of the Alvarez decree to the enlarged area now under his command. He authorized an additional reduction of 12% in the duties on all goods imported through Pacific ports. He also halted the collection of alcabalas, consumer taxes, and a group of bothersome taxes on windows, doors, luxury items, etc. He abolished duties on the internal movement of money and sharply reduced those on the export of money and bullion. All goods other than precious metals could be exported duty free.¹⁴ While many liberals, including the editor of El heraldo, opposed as too drastic Comonfort's actions which discriminated against Gulf ports and threatened the solvency of the treasury, it is possible that the measures strengthened his position and contributed to his replacing Alvarez as interim president on December 8, 1855.

As the ideological and military phases of the Ayutla revolt developed, a number of leading liberals turned to the

United States for assistance and sometimes refuge. Military leaders sought to obtain loans, arms, and recruits in the United States while a sizeable group of liberal politicians were exiled to the United States. The results of their experiences would figure prominently in Mexican-United States relations during the Reforma.

Shortly after the beginning of the Ayutla revolt the military leadership determined that they needed loans and supplies from abroad. Ignacio Comonfort, recently collector of customs for Acapulco, was commissioned for the task. His popularity with the merchants of Acapulco, foreign and native, recommended him for the mission.¹⁵ With his credentials of authority duly certified by the American consul at Acapulco, Comonfort departed for San Francisco and New York in search of \$500,000 in loans.¹⁶ In addition to authority for borrowing money, Comonfort was empowered to determine acceptable terms of repayment, to purchase munitions and supplies, and to hire eighty foreign artillerymen. More significant for this study, Comonfort was directed to take the steps necessary to encourage foreign ships to call at rebel ports and to take other measures designed to increase the volume of imports at them.

The steps which Comonfort was authorized to take to guarantee loans were significant for the future economic welfare of Mexico. Customs receipts could be pledged, mortgaged, or sold. Mining grants and contracts to build roads, railroads, and other communications facilities could also be used

to guarantee repayment of the loans. In effect, Comonfort had carte blanche to dispose of the resources of the rebel area in his search for immediate financial aid.¹⁷

Comonfort's trip to the United States in 1854 produced a disappointing amount of financial assistance. He secured only one significant loan and this for only \$60,000. He convinced one New York firm, Hitchcock and Company, to ship arms valued at \$20,400 to Acapulco after a down payment of only \$4,500, with the remainder payable on delivery.¹⁸ He also succeeded in getting at least one individual, Carlos Butterfield, to ship military supplies to Acapulco on a purely speculative basis.¹⁹

The \$60,000 loan was expensive for Mexico in both the short and long run. It was secured in New York on October 11, 1854, from John Temple and his wealthy Spanish son-in-law, Gregorio Ajuria, both of whom already had business interests in Mexico.²⁰ This loan may have resulted from contacts made earlier in Mexico, since both Temple and Ajuria were in Mexico City during the early months of 1854,²¹ as was Edward L. Plumb, a young American mining enthusiast. Plumb went to Acapulco in March 1854 and remained there several months where he became acquainted with both Alvarez and Comonfort.²² There is no evidence to indicate that Plumb had any contact with Temple and Ajuria while in Mexico City or that he conveyed any message from them to the Ayutla leaders, but the coincidence of dates, movements, and subsequent loan are suggestive.

The loan was to be repaid in the amount of \$250,000 if the revolution succeeded.²³ To guarantee this repayment Comonfort pledged one half of the liquid proceeds of the Acapulco customhouse.²⁴ After Comonfort returned to Mexico with the arms thus obtained, Alvarez ordered the administrator of customs at Acapulco to begin making the payments required in the contract.²⁵ Temple's subsequent lease of the Mexico City mint, which will be treated in detail later, also appears to have been an outgrowth of this transaction.

While the directors of the military phase of the revolution were establishing costly but beneficial contacts with Americans, many of the future civilian leaders were experiencing life as political refugees in New Orleans and Texas. By early 1854 Santa Anna's policies had caused a colony of Mexican liberal exiles, including Juárez, Ocampo, Mata, Ponciano Arriaga, ex-president Ceballos, and Manuel Arriola, to appear in New Orleans. The exiles formed a "junta revolucionaria" with Ocampo as president and Mata as secretary. The junta, dedicated to the overthrow of Santa Anna, undertook newspaper campaigns and such other activities as their limited financial resources allowed.²⁶

After a few months Ocampo decided to transfer the junta closer to scene of action. He and selected members moved to Brownsville, Texas, where a revolutionary newspaper was established. The revolutionists also tried to replenish their financial resources by selling goods bought in New Orleans.²⁷ Letters from Mata to Ocampo suggest that some

of this commercial activity may have taken the form of smuggling goods into Mexico. Mata, who remained in New Orleans to purchase goods for shipment to Brownsville, was concerned with finding items suitable for the Mexican market. In Brownsville Ocampo sought to make a liberal revolutionist of José María Carvajal, a perennially disaffected Mexican whose raids and smuggling had made him notorious along the Rio Grande for more than a decade. Despite the junta's efforts, no strong backing for a military uprising could be found among Mexican exiles in south Texas or among the military and political figures of the Mexican frontier regions.²⁸

Meanwhile Juárez, Mata, and the others who remained in New Orleans had experiences and contacts which were significant for both their personal future and that of their country. Although Juárez was pressed for funds and, as legend has it, may have been forced to accept menial tasks to earn a livelihood, he seems to have had time to observe and be impressed by the pulsating commercial life of the river port. Mata's biographer indicates that Juárez found the great volume of goods moving along the Mississippi incredible and sought an explanation from Mata. Mata is supposed to have explained that the high level of commercial activity reflected the lack of restraints on domestic and foreign trade.²⁹ It is doubtful that Mata, Juárez, or any of the other Mexican exiles fully understood the commercial importance of the location of New Orleans in the days prior to the railroad.

During their many months in New Orleans it was natural for the exiles to form new acquaintances and to feel a special bond with those who showed a sympathetic understanding of the exiles' difficult situation. While one can only speculate on the total impact of the relationships thus established, some indications can be inferred from a limited knowledge of Juárez contacts. Records only indicate that Juárez found three foreigners, two Cubans and an American, helpful and sympathetic to the liberal cause. The two Cuban exiles, Pedro Santacilia and Domingo de Goicuria, owned a livestock business which they used as a cover for dealings in arms and munitions for Cuban insurgents.³⁰ Both these individuals were to have numerous and favored business relations with later liberal governments in Mexico.³¹ Santacilia married Juárez's daughter and became a life-long confidant of his father-in-law.³² The American, Emile La Sere, edited The Louisiana Courier, a Democratic organ in New Orleans. The friendship between La Sere and Juárez developed quickly into a firm and lasting relationship.³³ In addition to securing Mexican contracts for the Louisiana Tehuantepec Comapny, La Sere later served Juárez as advisor and fund raiser.³¹

While there were no formal relations between United States and the Ayutla rebels until after the collapse of Santa Anna in 1855, United States official actions and policies during this period had an impact on Mexican developments. Relations between the United States and the Santa

Anna government were not cordial despite the apparent voluntary negotiation of a treaty for the transfer of territory. The hostility toward the United States of Lucas Alamán and the conservatives who had backed Santa Anna's return was sufficiently strong to prevent any cordiality with the United States even if such had been desired by Santa Anna.

Santa Anna needed little encouragement, however, to express his disdain for the Yankees. Immediately upon his return from exile, Santa Anna began issuing statements and orders indicative of his attitude. Upon his arrival at Veracruz he commented on the pain and humiliation he had felt when he was forced to abandon the country while it was occupied by the American army. If the United States should again threaten the independence of Mexico, Santa Anna declared, it would provide him with a welcome opportunity to wipe this blot from the record. He followed this provocative statement with an order dismissing all army officers who had voluntarily surrendered to the United States during the war and subsequent occupation. Among his first acts after formally assuming the presidential sash of office was a decree designed to stop the introduction of gold coinage from California by directing that only Mexican money should have legal status.³⁵ His appointment of Juan N. Almonte as minister to Washington was not designed to allay American fears concerning his attitude. Almonte had held this same position during the crisis leading up to the war with the United States and, as such, had taken the position that the

annexation of Texas was an illegal act and an unjustifiable aggression against Mexico.³⁶

Contemporaneously with the formation of his government, Santa Anna and his politically astute foreign minister, Lucas Alamán, began making overtures to European powers for support against the United States. On April 25, 1853, five days after the formal establishment of the Santa Anna government in Mexico City, Alamán requested French aid and protection so that Mexico could develop into an effective counterweight to the expansive power of the United States. Before it could fill such a role, he stressed, Mexico would have to rebuild its institutions and "regenerate" its society, but the United States would not remain idle while this was being done. Only the benevolent aid and protection of France could secure Mexico from American greed during this period.³⁷

Alamán argued that such a policy would be in the interest of France and other European powers. If left unchecked, he asserted, the United States would soon annex everything north of Panama and close this region to European political and economic influences. "The general [Santa Anna] and I are convinced that if the emperor wishes he can guarantee our independence and contribute to the development of our power which can be converted into a counterweight to the power of the United States. There would then be an American equilibrium similar to that of Europe." Alamán was confident Napoleon III could secure British and Spanish cooperation in such a project.³⁸

The French minister, Andre Levasseur, reacted favorably and agreed to submit the proposal to Paris. Seeing an opportunity for favorable action on French claims, he encouraged Alamán to believe that the French were interested in his proposal. Without committing France to anything, Levasseur indicated that his country had been thinking along the same lines and would welcome Mexico's recovery as means of blocking United States expansion. France, he assured Alamán, was fully alive to the need for a balance of power on the American continent.³⁹

A few days later Santa Anna approached the Prussian minister, Baron von Richthofen, in a similar vein. He indicated a desire for European guarantees of Mexican independence and asked that Prussia make available its officers to train and discipline the Mexican army. Santa Anna assured von Richthofen that France was leading the European maritime powers in a policy to protect Mexico and that while a military training contingent from them would arouse American fears and hostilities such a mission from Prussia, which had no navy, would arouse no fears and would be positively welcomed by France, Britain, and Spain. This tactless approach of belittling the power of Prussia while requesting her assistance did not receive a warm response. Santa Anna was not discouraged by von Richthofen's coolness, however, and he persisted with a new request for a complete Prussian military unit of 5-6,000 men. To this proposition von Richthofen expressed his frank opposition but agreed to submit it to Berlin.⁴⁰

Not satisfied with working through the European ministers in Mexico, Santa Anna directed the Mexican ministers in Paris, London, and Madrid to seek the aid of these states in containing the expansionistic drives of the United States. The ministers were instructed to emphasize the danger they posed to monarchical institutions and to European economic interests. If these views were favorably received by the host governments, the ministers were authorized to propose treaties of alliance directed against the United States.⁴¹

The responses to Santa Anna's search for European allies were not encouraging. The British chose to ignore the request, while the French became apprehensive that Santa Anna might have misinterpreted French expressions of sympathy. The French minister warned against any thought of a war against the United States. Levasseur advised Santa Anna to concentrate instead on building up Mexican strength. France would be happy to see Mexico with an army capable of repelling an American attack, he noted, and she was ready to assist Mexico in securing the Latin Catholic immigrants necessary to develop Mexican resources. "But not even for an instant is it possible to suppose that the government of His Imperial Majesty will break its friendly relations with the United States and lose, even momentarily, the immense markets which that country offers to French commerce in order to aid you in a war which you might have provoked."⁴² French interests in promoting a monarchical Latin Catholic resurgence in Mexico were obviously less important than profitable trade relations with the Americans.

Only Spain responded in an encouraging manner to the Mexican proposals. Angel Calderón de la Barca, Spain's first minister to independent Mexico and now Spanish foreign minister, expressed more than a casual sympathy for Mexico's plight. Since the United States also threatened Spanish Cuba, Calderón raised the possibility of secret steps for Spain and Mexico to affect a common defense.⁴³ Santa Anna responded with a proposal for a mutual defense alliance. But Spain, fearful that such an arrangement might become known and serve as a pretext for an American move against Cuba, refused to give serious consideration to the Mexican proposal. While Spain may have harbored vague dreams of establishing benevolent protectorates over conservative regimes in Spanish America, the safety of Cuba could not be jeopardized in the pursuit of such dreams.

France, unencumbered by exposed possessions, could afford a more active interest in Mexico's relations with the United States. Refusal to be drawn into a war against the United States did not mean that she was willing to allow American influence to flow southward unimpeded. French ministers sought to use their influence within responsible conservative Mexican circles and within the sizeable French and Spanish commercial communities as a means of checking American advances.⁴⁵ France was particularly concerned for the security of Mexico's northern frontier in the face of American filibustering activities⁴⁶ and sought in vain to encourage colonization of the area by Frenchmen as a

barrier to the Americans. Until they became convinced that he was actually promoting American interests, French diplomats encouraged the efforts to French adventurer Count Gaston Raousset de Boulbon to colonize Sonora with Frenchmen from San Francisco. His capture along with some two hundred Frenchmen by Mexican forces at Guaymas in July 1854 proved highly embarrassing to the French image as Mexico's protector.⁴⁷ Frustrated in their indirect and peaceful efforts to convert Mexico into a barrier against American expansion, French diplomats began to elaborate during Santa Anna's regime a rationale for the French intervention which was to be realized during the following decade.⁴⁸

French fears of American designs on Mexico were not unfounded. Pierce had warmly endorsed a policy of expansion in his inaugural address of March 1853.⁴⁹ In an attempt to heal sectional schisms within his party and country, Pierce proposed a vigorous policy of both territorial and commercial expansion.⁵⁰ Although this pronouncement aroused fears in the minds of Mexicans, Pierce was actually referring to Cuba rather than Mexico when he spoke of territorial expansion. As for Mexico, Pierce and his secretary of state, William L. Marcy, probably envisioned nothing more frightful than the expansion of American commercial interests as a part of a broader program directed at Latin America and East Asia.⁵⁷

Events, however, did not allow the new administration leisure in which to determine its Mexican policy. A

strong sense of political indebtedness to the southern wing of the Democratic party and to its representative in the cabinet, Jefferson Davis, resulted in the appointment of James Gadsden of South Carolina as minister to Mexico.⁵² Gadsden's long standing interest in transcontinental railroads and his advocacy of economic independence and commercial expansion for the South blended well with the foreign policy plans of the president, while his opposition to the "All Mexico" movement during the war appeared to augur well for the territorial integrity of Mexico. The latter conclusion would be a misreading of the signs, however, for Gadsden's aversion was to bestowing American citizenship on the mixed races of Mexico rather than to the acquisition of land. Since the treaty of Guadalupe Hidalgo, Gadsden had advocated separating the Spanish and Anglo-Saxon races by a natural boundary in the mountain ranges south of the Rio Grande.⁵³

The determination of policy toward Mexico was affected by the importunings of various individuals and groups with special interests. Those interested in a southern transcontinental railroad professed to believe that the boundary as specified by the Guadalupe Hidalgo treaty left the best route in Mexican hands. These interests coupled with disagreement within the joint commission charged with marking the boundary had led to suspension of the effort to run the boundary from the Rio Grande to the Colorado River.⁵⁴ American policy on the Tehuantepec transit question was also becoming more complicated. Since P. A. Hargous of New

York had secured the Garay grant in 1849, American policy had been to protect it. A. G. Sloo's acquisition on February 5, 1853, of a new grant covering the same route made necessary a reassessment of American policy.⁵⁵

How insistently Manifest Destiny advocates pressed the White House to include territorial goals in its Mexican policy cannot be ascertained. Both the Cass and Buchanan elements within the party advocated acquisition of Mexican territory and obviously if Pierce hoped to heal party rifts these elements had to receive a sympathetic hearing.⁵⁶ Jane McManus (Storms) Cazneau, who had decided views on Mexico and friends in high places, came to Washington at this time. Mrs. Cazneau, who wrote for the leading expansionistic journals under the pen name of "Cora Montgomery," had been a colonizer and land speculator in Texas during the 1830's and a leading crusader for the annexation of Texas. While on a secret mission to Mexico City for the state department in 1847 she met and became friends with the future president, Brigadier General Franklin Pierce. In 1853 Jane and her husband, William L. Cazneau, established residence in Washington where her friendship with the new president could be turned to profit.⁵⁷

To complicate further Pierce's task, a crisis along the unmarked border between New Mexico and Chihuahua threatened to erupt into armed conflict. The crisis point was the Mesilla valley north of El Paso where faulty construction of the terms of the treaty of Guadalupe Hidalgo left the ultimate

disposition of the area uncertain. As American settlers moved into the area, officials of both Chihuahua and New Mexico claimed it and threatened to seize control of it by force. The United States lessened tensions somewhat by removing New Mexico's belligerent territorial governor and suggesting that neither side try to exercise legal jurisdiction over the disputed region while diplomatic efforts were made to resolve its status.⁵⁸

With the border crisis in mind and under the pressures noted above, Marcy and Pierce formulated instructions for Gadsden's mission in July 1853. Hoping to resolve a number of questions with a single stroke, they directed Gadsden to negotiate an adjustment of boundaries. A boundary change could satisfy a number of desires--land could be acquired for railroad interests, the problems preventing the running of a boundary could be side-stepped, and the question of Mesilla valley could be settled in a way favorable to American interests. American claims against Mexico could also be settled as a by-product of a transfer of territory, and a territorial acquisition, even though it was not Cuba, would be popular in the Young America and other expansionist circles. Without specifying the amount of territory desired or the price to be paid, Marcy instructed Gadsden to present the proposal as motivated only by the American desire to acquire control over the most suitable route for a transcontinental railroad.⁵⁹

So concerned was Washington with a favorable conclusion of the boundary question that commercial and economic

matters were secondary in Gadsden's instructions. The Tehuantepec transit question, which had been a source of diplomatic activity since 1848, was shelved. Washington no longer found it a simple task to pose as protector of American private interests now that Americans held two conflicting grants. Lacking the time to study and assess their relative merits and to weigh the implications for domestic politics of supporting either of them, Marcy directed Gadsden to avoid involving this question in any negotiations while reserving the right to support the most attractive of the two at a later date. Authorization to adjust and promote commercial relations between the two countries appeared in the instructions almost as an afterthought.⁶⁰

Gadsden arrived in Mexico City in mid-August 1853 and within less than five months had signed a treaty which satisfied at least the minimum objectives of his mission. Once Santa Anna indicated a willingness to consider a new boundary treaty Washington responded with detailed instructions to guide the negotiations. "Ample land south of the Gila River to facilitate the construction of a transcontinental railroad" now became the minimum demand. This minimum area, along with a release from claims for damages under article eleven of the treaty of Guadalupe Hidalgo (which made the United States responsible for preventing Indian raids across the frontier) and abrogation of that article was worth \$15,000,000. More generous cessions of land were assessed accordingly until a cession providing for the most satisfactory

and most natural boundary was valued at \$50,000,000. The natural boundary, advocated earlier by both Gadsden and Secretary of War Davis, was now defined in such a way as to give the United States all of Baja California, most of Coahuila and Nuevo Leon; about half of Tamaulipas, Chihuahua, and Sonora; and a small portion of Durango. Great stress was also placed on securing for the United States a port on the Gulf of California.⁶¹

The instructions as drawn up in Washington cautioned Gadsden to avoid complicating the negotiations with any matters other than the boundary, mutual claims settlement, and the release of the United States from the obligation to restrain Indians raids. Yet these instructions as delivered to him orally in Mexico City had been altered by the courier, Christopher L. Ward, to require a settlement of the Tehuantepec railroad question in a method favorable to the Hargous interests. Either knowingly or unwittingly a Hargous agent had been selected to carry unwritten instructions to Mexico and he used this opportunity to further the interest of his principal.⁶²

Gadsden, who had doubts as to the veracity of the instruction as conveyed to him by Ward, reluctantly added the Tehuantepec grant to the list of items upon which he must secure Mexican agreement. Not content with relying on Santa Anna's greed and the desperate fiscal plight of the Mexican government to create an receptiveness to his proposals, Gadsden used a number of techniques to promote

his objectives. Sympathetic appreciations of Mexico's problems and reasoned statements of the advantages of a natural frontier based on mountain barriers were coupled with only slightly veiled threats about the operation of the natural laws of Manifest Destiny.⁶³

If Gadsden's heavy-handed essays in diplomacy were not enough to convince Santa Anna and his advisors that Mexico's sovereignty was seriously threatened by the United States, and they needed very little convincing, the filibustering expedition of William Walker in Baja California dispelled any doubts. Walker, with the apparent connivance of local, state, and federal officials, fitted out an armed expedition in San Francisco and sailed to La Paz, Baja California, where he decreed the establishment of a sovereign republic of Baja California, to which Sonora was later added. The Mexican foreign ministry assumed that Walker had official backing for his expedition and that his efforts were meant to give substance to Gadsden's threats about the inevitability of American acquisition of Mexico's frontier regions.⁶⁴

Gadsden was furious when he learned of Walker's expedition, believing that such enterprises would arouse popular support for the Mexican government and make his task more difficult. Gadsden called for efforts by American consular and naval agents to prevent them.⁶⁵ Pierce agreed with Gadsden's assessment and on January 18, 1854, without being aware that negotiations in Mexico were already complete,

issued a proclamation exhorting Americans not to take part in filibustering and ordering civil and military officials to take the necessary steps to prevent the departure of such expeditions.⁶⁶

Santa Anna might, as Gadsden feared, have refused to continue the negotiations for a new boundary treaty in the face of Walker's invasion if he had felt strong enough. Santa Anna made three unsuccessful moves to strengthen his hand against the United States. He renewed his proposal for a comprehensive alliance with Spain⁶⁷ and simultaneously authorized his agents in Europe to contract for mercenary troops. The Mexican minister in Paris was directed to secure 3,000 Swiss soldiers armed with the newest and best French arms to serve for a period of 8-10 years. The minister in London was ordered to recruit 4,000 well-armed Irish soldiers for a similar period.⁶⁸ Santa Anna's third move was to inform the British minister to Mexico, Percy W. Doyle, that the United States was threatening war if Mexico did not agree immediately to sell half her territory. Santa Anna pictured this as a preliminary step to total annexation. He stressed the damage that would result to British commercial interests.⁶⁹

Doubtlessly a strongly worded British statement of support for Mexico would have given pause to Gadsden, but such was not forthcoming. Doyle, in reporting the request to London, indicated that he had tried to discourage Santa Anna, whose sincerity he doubted. Instead of encouraging

Santa Anna with sympathetic expressions, as had his French counterpart earlier, Doyle advised Santa Anna to avoid conflict with the United States and to put his government on firm ground financially.⁷⁰

Santa Anna later characterized his treaty with the United States as a successful defense of Mexican territory. He claimed that by selling a small section of useless territory he had prevented the United States from forcefully seizing the whole northern tier of states and territories.⁷¹ While not discounting the difficulties of Santa Anna's position it must be noted that he capitulated quickly to the pressures and that Gadsden was equally brisk in retreating to his minimal demands. On November 29 Gadsden formally presented his maximum territorial demand;⁷² on December 3 he agreed to limit the negotiations to only enough territory to facilitate the construction of the transcontinental railroad.⁷³ The specific boundary line written into the treaty was suggested by the Mexican foreign minister.⁷⁴

The treaty, signed December 30, 1853, contained provisions of interest to the United States other than the change in boundaries. It released the United States from the obligations and responsibilities imposed by article eleven of the treaty of Guadalupe Hidalgo. A claims commission was provided for and the United States agreed to assume all American claims against Mexico, including any made on behalf of the Hargous grant "whose lawful existence Mexico does not recognize."⁷⁵ The United States acquired the

right of uninterrupted navigation of the Colorado River and the Gulf of California. For these favors the United States agreed to pay \$20,000,000, \$5,000,000 of which would be retained to satisfy American claimants. Of interest to Mexico, the United States agreed to recognize land titles held by Mexicans in the ceded territory and to cooperate in suppressing filibustering expeditions.

Pierce was opposed to the provisions of the treaty providing compensation for the holders of the Hargous grant but decided to submit it to the senate on the recommendation of a majority within the cabinet. The treaty occasioned a battle of sectional and special interests in the senate which lasted more than two months and produced a treaty little resembling that signed by Gadsden. It revealed numerous divisions within the senate: there were those who acted on purely partisan basis, others saw only sectional and slavery questions, attitudes toward a southern transcontinental railroad determined the position of many, the actions of others were determined largely by their relations with one or the other of the American groups interested in the Tehuantepec transits, and finally some senators felt strongly, pro or con, on the abstract idea of expansion. Each group suggested changes to benefit its interest. The result was the mutilation and apparent death of the treaty. Only after the Southern Commercial Convention meeting in Charleston had elicited strong Southern and Western support for the treaty was it revived and forced through the senate

on April 25, 1854. The final vote saw opposition votes coming mostly from Northern anti-slavery, and anti-Democratic senators.⁷⁶

The senate version of the treaty, and the one finally ratified, was more limited than had been the one negotiated in Mexico. The amount of territory was reduced to the absolute minimum deemed essential for the railroad and the payment was reduced from \$20,000,000 to \$10,000,000; the claims settlement was eliminated, as was the agreement to act against filibustering; and, finally, provisions were inserted specifically recognizing Sloo's Tehuantepec grant, recognizing American rights to use the transit route, and giving the United States power to intervene to protect the route.⁷⁷

While few if any of the parties involved, either Mexican or American, were satisfied with the senate version, all reluctantly accepted it. Pierce was as opposed to the recognition given Sloo interests by the senate as he had been to the advantages for the Hargous group in the original treaty. Only Pierce's fear that delay in achieving a boundary settlement might result in war induced him to accept the changes.⁷⁸ Gadsden returned to Mexico City hoping the altered agreement would be rejected by Santa Anna.⁷⁹ Santa Anna and his foreign minister, Díez de Bonilla, were dissatisfied with the failure to settle claims and described the provision allowing the United States to provide protection for Tehuantepec transit route as a "surrender of

nationality."⁸⁰ Santa Anna's need for money, more pressing now in the face of the spreading Ayutla revolution, was sufficiently strong, however, to overcome any doubts and the ratifications were exchanged in Washington on June 30, 1856.

In their reaction to the plight of Santa Anna during the months between the signature and the ratification of the treaty, France and Great Britain reversed their earlier attitudes. When Santa Anna had appealed for aid against probable American aggression during his first months in office, the French minister had responded in sympathetic but noncommittal terms while the British minister could only advise him to put his finances in order and avoid war. During the intervening months the French minister had become convinced that nothing could be gained by supporting Santa Anna and his monarchical schemes.⁸¹ Convinced that a national monarchy would have no chance of survival, Dano felt that one imposed and protected by European powers and headed by a European prince was the only method to save Mexico from a fate even worse than American conquest--social dissolution and political anarchy.⁸²

Circumstances surrounding the activities of Count Raousset de Boulbon had diverted Dano's attention from the negotiations while pushing him toward supporting the treaty as signed in Mexico. He had proof that the nobleman was organizing Frenchmen in California to seize Sonora and other areas of northwest Mexico. He was convinced that the result would be the annexation of this area by the United States.

Such actions by Frenchmen would not only be counter to French interests but also highly embarrassing.⁸³ Dano took steps to discourage his countrymen from joining the expedition. Letters from Dano and from the French foreign minister warning French citizens against such acts were published in the newspapers of San Francisco and various Mexican cities. Dano was particularly distressed to learn from the French consul at Mazatlán that schemes to make the area independent or to attach it to the United States were popular with many of the residents of Sinaloa and Sonora, including many of the French merchants.⁸⁴

Given these concerns, Dano was not upset to learn that Mexico had signed a treaty with the United States which might, at least temporarily, reduce the danger of filibustering raids. When officially informed of the general terms of the treaty, Dano could only note that they seemed to be in the interests of both parties. But aware unofficially that the treaty contained a mutual pledge to cooperate in suppressing filibustering,⁸⁵ Dano hoped this would cause the American government to stop Raousset's expedition.⁸⁶

Increasingly preoccupied in preventing Raousset's activities from damaging French interests and aware that Santa Anna's survival depended on obtaining money from the treaties, Dano expressed little concern as the changes made in the American senate became known in Mexico. He was encouraged to see Washington taking measures against the Walker expedition in Baja California.⁸⁷ By the time full

details of the alterations reached Mexico, Dano, already aware that Raousset's expedition had begun landing in Sonora and cognizant of the seriousness of the Ayutla revolution, limited himself to reporting the facts to Paris with the comment that Santa Anna would accept the changes despite his ridiculous assertion that he would rather "place his hands in fire" than to accept such terms.⁸⁸

The British minister, on the other hand, encouraged Santa Anna to reject the altered treaty without committing Britain to assist Mexico in any way. The changes which most disturbed Doyle were those recognizing the Slocum grant and giving the United States power to intervene in the isthmian region. Such provisions, Doyle felt, endangered British isthmian interests. When he urged resistance to such provisions, Santa Anna agreed to reject the altered treaty if Doyle would allow Mexico to suspend payments to British creditors and would urge the same policy on France and Spain. Santa Anna had gone to the heart of the matter and had called Doyle's hand. He had to have money and the only other readily available source was the customs receipts assigned to pay Mexico's foreign debts. He doubtlessly knew that the English minister had neither the inclination nor authority to make such an agreement. The British foreign office felt that Doyle had over-reacted since they felt that British interests in Tehuantepec were amply protected by the Clayton-Bulwer treaty.⁸⁹

While the relationship of the Gadsden treaty to

Mexican revolutionary activity is obvious, its impact is difficult to assess. Opposition to Santa Anna and efforts to organize resistance among political and commercial circles predated Gadsden's arrival in Mexico.⁹⁰ By the time the negotiations had reached a serious stage even the French minister realized that the forces gathering around Alvarez in Guerrero constituted a major challenge to Santa Anna. Santa Anna's decision on December 17, 1853, to invest himself with unlimited powers for an indefinite period served to galvanize the opposition.⁹¹ He precipitated matters by attempting to send a loyal regiment to Acapulco. This move provoked a clash with Alvarez forces on January 21, 1854, apparently before the rebels learned of the treaty signed with the United States.⁹²

Once the agreement became known it became an additional item in the rebels' arsenal of charges against Santa Anna. When news of the treaty reached New Orleans the liberal exiles there protested and condemned Santa Anna for having entered into it.⁹³ In the preamble to the plan of Ayutla, issued on March 1st while the fate of the treaty in the United States was still uncertain, Santa Anna was denounced on many counts, including his failure to safeguard the integrity of the nation.⁹⁴ The impact of the sale of territory of Santa Anna's public image can not be measured, but it obviously weakened his position. Memories of the humiliating defeat at the hands of the United States and of the peace terms imposed after the war were still too

fresh. The sale of territory, which Santa Anna rationalized as essential for the funds necessary to put down the expected liberal revolt, doubtlessly served to strengthen the resolve of the rebels while turning many of the responsible conservatives against him.

After the exchange of ratifications on June 30, 1854, Gadsden's relations with the Santa Anna government deteriorated rapidly. Problems left unresolved by the treaty fed the ill will already existing on both sides. Gadsden saw the rescue of Mexico from Catholicism and the prevention of the spread of European monarchical influence as his essential tasks. To prevent Santa Anna's close ties with European powers from being converted into a protectorate detrimental to American interests, Gadsden recommended naval or military actions which would insure a liberal victory.⁹⁵ He favored using the \$3,000,000 remaining due Mexico under the recent treaty in such a way as to aid the liberal cause. The funds must be denied to Santa Anna at all cost, Gadsden felt, since he would only use them to reinforce his absolutist regime.⁹⁶

Gadsden assumed such an arrogant and hostile attitude in pushing American claims that on October 2, 1854, Díez de Bonilla directed the Mexican minister in Washington to request his recall.⁹⁷ This request resulted in a situation with few parallels in the annals of diplomatic history. Gadsden, informed by Washington of the request, addressed an insulting note to the Mexican foreign minister suspending relations until the request had been withdrawn and suitable

apologies made.⁹⁸ To the dismay of Díez de Bonilla, Washington refused to recall Gadsden, and much to the disgust of Gadsden, Díez de Bonilla refused to recognize the suspension of relations and continued to address notes to "Señor Gadsden" at the United States legation.⁹⁹ Two subsequent requests for Gadsden's recall were also unproductive.¹⁰⁰

While Gadsden remained at his post, his effectiveness as a diplomatic agent had been destroyed. His communications both with Mexican officials and with Washington increasingly assumed an argumentative tone and a rambling, sometimes incoherent, character. In what appear as paranoiac rantings, Gadsden portrayed himself as being hounded and persecuted by the countless forces of evil. American interest groups sought his removal because he blocked their fraudulent schemes; Marcy and the administration in Washington refused to back him because of his political alignment; Mexican officials sought his recall because he saw the vile corruption which lay beneath their civilized veneer; and his diplomatic colleagues in Mexico ostracized and ridiculed him because they realized that he alone stood in the way of their efforts to "Europeanize" Mexico.¹⁰¹

While Gadsden fought his quixotic battles with the forces of evil he followed a course of action friendly to the Ayutla rebels. As their strength waxed, he became vocal in praise of the rebels and in demands that the United States actively support them.¹⁰² According to the British

minister in Mexico, Gadsden did not limit his pro-liberal policy to recommendations to Washington but converted the American legation into an intelligence center for the rebels and maintained close ties with insurgent elements throughout Mexico.¹⁰³

The failure of the Santa Anna government to take effective steps to expel the troublesome Gadsden is rendered understandable, if not justifiable, by its precarious position. The refusal of Washington to remove a minister who had been declared persona non grata and who had obviously lost whatever rapport he may have had with the Mexican government, however, was neither justifiable nor understandable. If the purpose in leaving Gadsden at his post was to express official disapproval of the Santa Anna government, the message must have been clear to all, yet one is hesitant to credit Marcy with consciously pursuing such blunt and heavy-handed policy. The real reason for not removing Gadsden may have been, as Marcy suggested later to the liberal minister to Washington, that Gadsden had too many politically powerful friends to be dismissed easily.¹⁰⁴

Despite the anomalies of Gadsden's position, there were developments of commercial interest during the closing months of the Santa Anna administration. Although Gadsden's original instructions had directed him to resolve commercial conflicts and to promote the commercial interests of the United States,¹⁰⁵ little attention was devoted to the deteriorating commercial situation by the legation. The American

consul in Veracruz was not reticent, however, in bringing the situation to the attention of Washington. When asked in 1854 to supply Washington with a copy of the existing Mexican tariff, John T. Pickett responded that such a document would be useless since new laws affecting the operation of custom-houses were being issued almost daily and special rates and exemptions were being granted or sold with equal frequency to friends of the government.¹⁰⁶

The commercial situation had worsened steadily since Santa Anna's return in April 1853. First, the low Ceballos tariff issued in January 1853¹⁰⁷ had been replaced by a new schedule which placed almost prohibitively high duties on most imports.¹⁰⁸ Then, on January 30, 1854, a decree placed a 50% duty on imported goods when their origin was different from the flag of the vessel on which they were imported. This decree also sought to spur the creation of a Mexican merchant fleet by imposing onerous port and tonnage duties on foreign flag vessels.¹⁰⁹ Such provisions were a hard blow to the re-export trade of the United States.¹¹⁰ The French also found the measure "a terrible blow to all commercial interests."¹¹¹

The cumulative effect of high tariffs, high and numerous taxes, special privileges, and arbitrary practices in enforcing revenue measures was disastrous for American commerce. Pickett reported that all foreign trade was declining in Veracruz, especially American. The only exception was trade coming in from New Orleans which had increased

recently owing to the establishment of a biweekly line of mail steamers.¹¹² Franklin Chase, American consul in Tampico, reported a similar depression in commercial circles.¹¹³ Even the Mexican press offered carefully worded criticism of foreign trade measures which had ruinous consequences for internal trade and prosperity.¹¹⁴

Americans with commercial interests in Mexico also voiced their unhappiness with Santa Anna's commercial policy. The department of state received letters of protest.¹¹⁵ Newspapers called for steps to safeguard American interests.¹¹⁶ Southern commercial conventions of 1854 and 1855 recommended the negotiation of a new commercial treaty with Mexico to protect and promote American export trade.¹¹⁷

Despite these calls for action and the increasing willingness of the Santa Anna government to make any arrangements which might strengthen its position, Gadsden made no serious effort to negotiate on commercial matters. Instead, he appears to have determined by late 1854 (about the time he learned of Mexican requests for his recall) that his best course would be to press for the speedy fall of Santa Anna and reserve all serious negotiation for the more amenable liberal government to follow. Apparently without fully informing Washington, Gadsden used the Crimean War diplomatic situation as a vehicle to pressure Mexico. Expressing sympathy for Russia, he suggested an alliance with Mexico against the Allied Powers, and when this was rejected, he indicated that if the war should reach America the United

States would immediately occupy Mexico's frontier regions.¹¹⁸ He badgered Mexico with demands for claims settlement and for new cessions of territory. When Mexico protested the Walker filibustering expedition in Baja California, Gadsden responded that in a democracy such expeditions were often true reflections of public opinion which would eventually determine policy. The only solution, Gadsden hinted, was to sell the territory desired by the filibusterers while Mexico still held legal title to it.¹¹⁹

Gadsden's attitude and the increasingly frequent and unchecked filibustering expeditions against Mexico frightened European representatives in Mexico and convinced them that the United States was embarking on a major expansion drive. While the British and Spanish ministers expressed concern that these activities would damage their interests, the French minister recommended a more positive action. The Anglo-French alliance "so powerful in the Old World" must be extended to America to halt the expansion of the United States. Gabriac feared that the Americans might join Russia in an aggressive alliance.¹²⁰ The French consul at Mazatlán detected sinister commercial motives behind the American actions. The filibusterers and the American government were seeking to gain possession of the wheat producing regions of Mexico, knowing that without these an independent existence for Mexico would be impossible. Stressing the importance of trade with Mexico to France's internal economy, he called on his government to take the necessary steps to prevent

Mexican commerce from falling into the hands of Americans, "the modern pirates of the New World."¹²¹

Mexico utilized French fears of losing profitable trade relations to reinforce her pleas for aid. Díez de Bonilla stressed the insatiable American drive for control of land and natural resources. This drive would not stop until all the continent north of Panama had fallen under American control. After such expansion, Díez de Bonilla warned, the commercial power of the United States would have no limits. It could dominate the entire hemisphere, control all the isthmian trade routes with Asia, and deny Europe access to the markets of America. The United States could then easily foment socialist and anarchistic movements in Europe. Díez de Bonilla saw an analogy to the Eastern Question: Mexico was the Ottoman Empire of the western hemisphere, United States its Russia, and only France could insure the balance of power in the west as in the east.¹²²

The French were convinced, however, that their interests could not be served by supporting Santa Anna's continuation in power. Almost without exception, Gabriac's despatches, from March to August 1855, included statements on the hopelessness of the situation under Santa Anna.¹²³ Nevertheless, Gabriac was fully alive to the potential threat posed by the United States. In a despatch of July 6, 1855, he recognized the United States as another Russia, although still relatively weak, which must be prevented from further extending her power.

I recognize more than ever the impotence of the Spanish race for any task of regeneration and salvation. Our problem now lays in knowing what means to employ so that, without compromising our policy, in the New World, we can, nevertheless, save our influence and our commercial, industrial, and maritime interests. Today twelve to fourteen thousand Frenchmen live in Mexico and our general commerce increases annually. . . . Once in the power of the Yankees, the profits from the mines of this vast territory will serve to finance production of those factories whose numbers increase as if by magic in the United States. On taking Cuba, her (the United States) only view is to close the Gulf of Mexico and convert it into a new Black Sea. Then she can cause revolutions in Europe by merely raising or lowering tariffs. The state of production in the Old World is subjected to the new facilities of maritime transportation and to the creation of new entries in this immense American market which must become the shortest and most secure route to China and Australia. Thus, we must be assured of an outlet in these regions for the surplus of our factory production as well as for our floating population.¹²⁴

Abandoned by the European powers and simultaneously facing bankruptcy and defeat by the rebels, Santa Anna threw himself at Gadsden's feet. In July 1855 Díez de Bonilla informed Gadsden that all requests for his recall were being withdrawn and Mexico was prepared to negotiate on any question desired by the American minister. The government, he said, was specifically ready to accede to the repeated demands for territory. Having accomplished his objective of weakening Santa Anna's position, Gadsden had no desire to strengthen it now by placing money in his hands. For weeks he allowed Díez de Bonilla to hope that he might sign a treaty for the purchase of territory, while informing Washington that under no circumstances would he agree to such a proposal.¹²⁵ That Santa Anna considered a treaty with the

United States as his last hope was indicated by the continuation of negotiations until the eve of his decision to flee abroad on August 9, 1855.¹²⁶ Gabriad reported in July that Gadsden had in fact withdrawn from all relations with Santa Anna leaving his secretary and nephew to answer correspondence from the foreign office.¹²⁷

With the collapse of the Santa Anna government conservative and military elements attempted to forestall a complete liberal victory by endorsing the plan of Ayutla and installing their own candidate, Martín Carrera, as president.¹²⁸ As the European powers hastened to recognize the government of Carrera, Gadsden rejected in an insulting fashion an invitation to join the diplomatic corps in this act.¹²⁹ Instead, he sat back and enjoyed the fruits of his months of hostility toward Santa Anna. The liberal press gave prominence to accounts of how he had broken relations with Santa Anna and had refused to recognize Carrera.¹³⁰ Meanwhile rumors spread, unchecked by Gadsden, that while maintaining nominal relations with Santa Anna, he had served as intermediary to get \$200,000 of official United States funds into the hands of the rebels.¹³¹

The French minister was certain that Gadsden was actively working as an ally of the puros to insure the presidency for Juan Alvarez. He reported on September 5, 1855, that irrefutable evidence proved the full complicity of the American legation in efforts to prevent any compromise in the selection of an interim president. He reported that

John S. Cripps, secretary of the American legation, was acting as recruiting agent for the liberals among Carrera's troops in Mexico City. Soldiers so subverted appeared at night at a house rented by the American legation where they surrendered their arms to a puro general and in return were given ten pesos furnished by Gadsden. The arms secured in this manner, and others purchased by Gadsden through an agent, were turned over to forces loyal to Alvarez.¹³²

Gadsden continued to follow an independent course after the revolutionary conclave in Cuernavaca elected Alvarez as provisional president on October 4, 1855. Having been informed of the establishment of the new government, the diplomatic corps called a meeting to seek a common policy on recognition of a government not located in the traditional capital. Gadsden's response to this maneuver was an ill-tempered and near incoherent note to the dean of the diplomatic corps. The French minister was unable to decide whether it was an intentional insult or merely the result of the author's well-known practice of being enebriated by mid-afternoon each day.¹³³ Gadsden, however, apparently made two points clear. He refused to cooperate with the diplomatic corps and gave as a reason the traditional American policy of avoiding entangling alliances.¹³⁴

After refusing to cooperate with the diplomatic corps and without informing them of his intentions, Gadsden departed immediately for Cuernavaca where on October 10, 1855, he became the first foreign diplomat to recognize the

Alvarez government. In pursuing an independent course of action he was apparently motivated by a desire to create the best possible impression in the eyes of Mexico's new rulers and by a fear that the European members of the diplomatic corps would use recognition to extract commitments from the new government. At the recognition ceremony Gadsden delivered an address so full of expressions of sympathy for Mexico that it embarrassed even the liberal press. He reassured his hosts that the recent filibustering incursions into northern Mexico were the natural consequences of Santa Anna's hostile policy toward the United States and of his inability to control the frontier region.¹³⁵

The process of creating a liberal government in the wake of Santa Anna's collapse was complicated not only by counterrevolutionary plots and personal rivalries and ideological schisms among the victorious liberals, but also by reports of an American attempt to establish a protectorate over Mexico. The idea of a benevolent protectorate over Mexico had been in the air for years; the foreign ministers in Mexico, including Gadsden, had included in their despatches discussions of the feasibility and desirability of such an arrangement. The press of London, Paris, Madrid, and New York had aired the subject. Gadsden was convinced that European powers were attempting to use their influence over Mexican conservatives to establish a protectorate hostile to the United States, while the Europeans, particularly the French and Spanish, credited the United States with

similar aims. Since the beginning of the Ayutla revolution there had been constant rumors of one or another power preparing to establish such a protectorate. There was some substance to them since Santa Anna had proposed such a scheme to both France and Spain.¹³⁶

During the weeks before and after the fall of Santa Anna rumors frequently linked the rebels with the United States in schemes for a protectorate. A public crisis erupted on the question when the Mexican press, lead by the French language Trait d'Union on September 19, 1855, published two treaties which it claimed had either already been signed or would soon be signed by the liberals with Gadsden.¹³⁷ Both treaties, as given by Trait d'Union, were in the form of defensive and offensive alliances and provided for the United States to support a Mexican government established by mutual agreement, to renounce all designs on Mexican territory, to guarantee Mexico's territorial integrity against all threats, to prevent Americans from immigrating from the United States to Mexico, to loan Mexico \$30 million secured by the hypothecation of church property in Mexico--with or without the consent of the clergy, and to establish in Mexico a loan bank (banco de avío) with a fund of \$100 million to be used for mining, agricultural, and transportation development projects. A final provision of the treaties would give the United States control over Mexican commercial policy-- Mexican tariff rates would be established by mutual agreement, the United States could determine the amount of

protection required for Mexican industries, and all internal customs and monopolies would be prohibited.

Despite the obvious attractiveness for the liberals of the program of security and development as outlined in the treaties, they were denounced immediately by the liberal press, by the liberal leadership, and by Gadsden as the work of counterrevolutionary enemies. "It is better to perish, to have our fields destroyed and our cities leveled than to suffer such a humiliation," was the opinion of El heraldo.¹³⁸ Alvarez, acting also in the name of Comonfort, vehemently denied that there were any liberals who would consider such a scheme.¹³⁹ Miguel Lerdo, who had been mentioned prominently as a supporter of the protectorate plan, labelled as "vile calumniators" those who would attribute such desires to him.¹⁴⁰ Gadsden, in a letter to El monitor republicano, expressed sympathy for the methods and objectives of the rebels but denied that he had ever discussed the possibility of a protectorate with any of the rebel leaders. Such a relationship with Mexico, Gadsden declared, was not in accord with the policy of his government which only desired stable and independent democratic government for Mexico. The only suggestions he had received for a protectorate, Gadsden asserted, came from prominent conservatives associated with the previous regime.¹⁴¹

The private reactions of the liberals to the rumored treaties did not always match their public denials. The initial reaction of Valentín Gómez Farfías, the puro elder

statesman, was one of cautious interest. Several days before the treaties appeared in the press, Gómez Farías informed Alvarez that such a proposal had been received. In relaying the proposition Gómez Farías carefully weighed its pros and cons. While he was clearly alert to the dangers of a trap, he was intrigued by the benefits of such a relationship. Aware that some liberals would see the proposal as merely an American ploy in a policy aimed at absorption of Mexico, Gómez Farías stressed that the territorial integrity and political sovereignty of Mexico appeared to be guaranteed by the proposal. Gómez Farías could not disguise his pleasure at the prospects of a development bank, of modern transportation facilities, and of thousands of European immigrants which the proposal promised. His private assessment of the idea, as contained in a letter to Alvarez, suggests that Gómez Farías believed, or was even aware, that Alvarez and other liberals were actively pursuing a policy to secure a protected status and that he feared premature publicity would hinder their efforts.¹⁴²

Alvarez's public response to the proposed treaties, as noted earlier, was immediate, indignant, and completely negative. In the portion of a letter obviously intended for publication, Alvarez assumed almost an insulting tone with Gómez Farías for having even doubted the total opposition of all responsible liberals to any protectorate scheme. The proposal was, he charged, nothing more than a conservative attempt to discredit the Ayutla revolution and

its leaders. In a more private portion of the letter, Alvarez apologized, indicating that the vehement language was necessary to dispell any doubts from the public mind.¹⁴³ Alvarez did not make clear whether his concern reflected his opposition to a protectorate or a fear that public knowledge of his involvement in such a project would undermine public confidence and rob the liberals of victory.

While the private reactions of liberals raises doubts about their opposition to the protectorate proposition, the limited facts available relative to the origins of the proposal negate their charge that the proposal was merely a conservative maneuver designed to discredit liberal leadership. The rumors were not completely groundless. Manuel Robles Pezuela, who returned to Veracruz in early September from exile in New York, where he had served as an agent for the Ayutla rebels, brought with him a protectorate proposal very similar to that published a few weeks later. According to Robles, he had been contacted in New York by unnamed but high American officials proposing that the United States assist in overthrowing Santa Anna by making a loan of \$500,000 to the rebels and by seizing Veracruz. Once a new liberal government was established an offensive and defensive alliance would be formed on the basis of the following American commitments: to respect Mexico's territorial integrity; to suppress and punish all filibustering efforts; to provide funds necessary to maintain the Mexican government until its finances could be reorganized; to protect the

Mexican government from all enemies, foreign or domestic; and to respect property rights in Mexico, particularly those of the clergy. As the only compensation for its assistance, the United States would require Mexico to admit the European immigrants whose presence in the United States threatened to provoke civil strife.¹⁴⁴ This project, modified to give the United States broader powers over the Mexican government and to include two features dear to the hearts of liberals, a development bank and a move against church property, appears to have been the basis for the proposed treaties published later.

While definite conclusions relative to the involvement of the American government or American officials in the origins of the protectorate scheme cannot be drawn from the data available some interesting speculations can be made. Gadsden's conduct raises some questions not easy to resolve. Had he served to channel American funds to the liberals as believed by the French minister and by Gómez Farías? If he did perform such a function, what was source of the funds? Were they from secret official accounts or from private parties? In either case the money could have been in the form of a down payment for a protectorate. During the period after the fall of Santa Anna, Gadsden was not a mere spectator. He approached several liberal leaders in late August and early September in an attempt to find one who would be amenable to American direction. Gadsden was prepared to assist such an individual in securing the Mexican presidency.¹⁴⁵

The conduct of John Pickett, American consul at Veracruz, during the spring and summer of 1855 raises the possibility that he also may have been involved in some extra-official project. On March 4th he informed Washington that he was returning to the United States for "a brief period" of leave but would not be visiting Washington.¹⁴⁶ On July 7th, however, he was in Washington where he borrowed from state department files the extensive consular report on American commercial interests in Veracruz which he had submitted in March 1854,¹⁴⁷ He then travelled to New York where he discussed Mexican affairs with "important" but unnamed individuals before returning to Veracruz in early August.¹⁴⁸ Since Pickett had secured the consular post so as to be of service to the Sloo interests in Tehuantepec,¹⁴⁹ one is led to suspect that among the people he consulted in New York was the rebel agent Robles Pezuela.¹⁵⁰

After the round of denials by Gadsden and the liberal leadership and the establishment of the Alvarez government in early October, the possibility of an American protectorate quickly faded from public view. Regardless of whether or not the proposed treaties had really represented an official American offer, for several weeks the idea contained in them had been real in the minds of key figures in Mexico City. The liberals were fascinated by the promise of protection and assistance for development; Gadsden had seen in the treaties an opportunity to check European threats to the natural right of the United States to hegemony over Mexico;

the French minister Gabriac saw in the treaties a move inimical to French political, commercial, and financial interests.

Alexis de Gabriac tended to see in everything that happened after the fall of Santa Anna sure signs of the Yankee hand, assisted by a sympathetic attitude on the part of the British. The steps taken to lower tariffs were seen as more advantageous for British commercial interests than those of France. He charged that the reduction would endanger the French debt by reducing the customs receipts which were assigned to service it. He ignored the fact that the British debt, which was much larger than that of the French, was also serviced from the same source. The motivating force behind tariff reductions, in the French view, was an American desire to force Mexico into a position where she would have no alternative but to turn to the United States for credit, which would only be made available in return for territory.¹⁵¹ The proposed treaties were proof that disaster awaited European interests in Mexico; under the umbrella of a protectorate, Mexico would refuse to pay her European creditors and her protector, the United States, would refuse to allow European powers to use coercive measures against her.¹⁵²

Gadsden had assumed a pro-liberal stance during the revolution, hoping that once the liberals were in power they would be receptive to American influences, political and economic. He spoke confidently of "democratizing" Mexico through his influence on Alvarez.¹⁵³ Even without

a formal protectorate, democratization would serve to counter efforts to bring about "Europeanization of Mexico."¹⁵⁴ For a time developments seemed to confirm Gadsden's assessment of his future influence. For weeks he was the darling of the liberal press, and liberal politicians displayed a gratifying desire for his advice. The liberals all appeared to be appreciative of the American assistance to their cause. Alvarez filled his cabinet with men who were admirers of the United States--Juárez, Ocampo, Prieto, and Comonfort.¹⁵⁵ Comonfort expressed his view that their ultimate success was heavily dependent on "economic, ideological, and political assistance from the United States." The liberal victory and Santa Anna's parting manifesto blaming the United States for his downfall only served to reinforce the view that American aid had been a key factor in the liberal victory.¹⁵⁶

The honeymoon between Gadsden and the new liberal government did not last long despite its auspicious beginning. The first sour note arose over the \$3,000,000 withheld from the amount due under the Gadsden treaty until the new boundaries had been formally established. Santa Anna had made several attempts to secure these funds directly and finally in desperation he sold drafts on these funds to American speculators at considerable discount.¹⁵⁷ When Alvarez assumed the presidency he asserted that Santa Anna's drafts were invalid and demanded that, since the United States had already occupied the land in question in violation

of the treaty, the \$3,000,000 should be paid immediately and directly to Mexico.¹⁵⁸ Although Gadsden initially supported the Mexican demand, by December 1855, he requested that the funds be withheld indefinitely from both the speculators and the government. This course, he argued, would provide him with a lever to force the new government to take a more responsive attitude toward American demands.¹⁵⁹

The dispute over the \$3,000,000 convinced Gadsden that the liberal government was the same as its predecessors: it could be influenced only by intimidation or bribery.¹⁶⁰ When Comonfort replaced Alvarez as acting president, December 8, 1855, relations cooled even more between Gadsden and his hosts. Comonfort, a moderate liberal, was less inclined to subordinate his ambitions to the dictates of the American minister. Within a few months Gadsden was denouncing Comonfort in terms comparable to those used earlier against Santa Anna--Comonfort was a usurper, a dictator, a traitor to the goals of Ayutla, and a man whose services were available to the highest bidder.¹⁶¹

Gadsden's task of maintaining amicable relations were complicated by a rash of filibustering activity during 1855-56. The most difficult to handle was that led by Jean Napoleon Zerman, another French exile. Zerman, claiming to be acting as an agent of Alvarez and the Ayutla revolution, sailed from San Francisco in October 1855, claiming later to have been unaware of Santa Anna's fall. Zerman and his entire party were captured at La Paz in Baja California. In

this case Gadsden had denounced the filibusterers to Santa Anna as international outlaws on July 5, 1855, apparently in the belief that they were serving French interests.¹⁶² In November both Gadsden and the French minister warned Alvarez that Zerman was leading a piratical raid.¹⁶³ Soon after the captives reached Mexico City in March 1856, however, Gadsden attempted to secure their release as American citizens who had been misled by Mexican agents in California.¹⁶⁴

Also during this period an expedition of Texas Rangers crossed the Rio Grande ostensibly in pursuit of fugitive slaves. When the resulting hostilities were reported in Mexico City, Gadsden, in a very tactless move, congratulated Santiago Vidaurri, governor of Nuevo Leon, for having defeated the "illegal invasion." The letter, addressing Vidaurri as head of a sovereign area and containing suggestions that the United States would look with favor on the independence of the Mexican northeast and its voluntary union with the United States, was embarrassing both to the central government and to Vidaurri.¹⁶⁵

Gadsden's animosity toward Comonfort was reciprocated. On May 3, 1856, Manuel Robles Pezuela, now the Mexican minister in Washington, requested Gadsden's recall. The request was made for the same reasons which Santa Anna used the previous year: Gadsden's hostile attitude toward Mexican officials, his insistence upon maintaining relations with caciques who refused to recognize the authority of the central government, and his frequent indiscreet public

statements. Marcy referred to the delicacy of removing so powerful a political figure as Gadsden and requested Robles to put his reasons in a formal note to be presented to Pierce. Robles correctly surmised that no final decision would be made until after the Democratic convention, scheduled to meet in Cincinnati in early June.¹⁶⁶ On June 30, Gadsden was informed that he would be relieved as soon as a successor could be chosen.¹⁶⁷

Gadsden remained at his post until October 1856, and although his relations with his host government were strained there were economic developments of interest. Of prime importance for Mexico and for American speculators and entrepreneurs was the decision to retain the development ministry (fomento) and to honor most of the contracts made by that office since its creation in April 1853. The immediate reaction of the liberals to the fall of Santa Anna had been to destroy every vestige of the late dictatorship, including the fomento office. A successful campaign was conducted in the newspapers to save fomento and to defend its official mayor, Miguel Lerdo, for having served under Santa Anna.¹⁶⁸ The ministry was saved and, although congress reviewed closely all the decrees and contracts of fomento, most of the measures for material improvements were confirmed--including several railroad concessions held by Americans.¹⁶⁹

The confirmation of railroad grants made under Santa Anna involved approval of two generous grants for railroads in the frontier region. On July 15, 1854, Alejandro Atocha,

Santa Anna's friend from New Orleans, had been given a concession for a railroad and telegraph line from the upper Rio Grande (El Paso or Presidio) to Guaymas.¹⁷⁰ On November 23 of the same year a grant was made to J. B. Moore and associates for a railroad from the lower Rio Grande to an undefined point on the Pacific coast.¹⁷¹

In fact, private American interests in development projects appeared to have suffered little during the revolutions or at the hands of the victorious liberals later. Hostilities in the vicinity of Mexico City were so limited that work on the telegraph lines being built to Cuernavaca and Guadalajara by William G. Steward continued on schedule, as did that on the railroad to Villa Guadalupe in which numerous American interests were involved.¹⁷² Work on the latter had progressed so far that on July 22, 1855, only weeks before the fall of Santa Anna, Gadsden had joined Santa Anna in dedicating a completed portion of the road.¹⁷³

Once in power the liberals acted quickly to remove Santa Anna's harsh measures toward foreign economic interests. New measures to stimulate the economy and to encourage foreign participation were adopted. Restrictions which discouraged both the foreign immigrant and entrepreneur were lifted. In addition to confirming most of developmental contracts entered into by the previous administration, new contracts for railroads, gas lighting, river navigation, etc. were let. Whereas during the previous administration most of such contracts were given to

individuals representing British capital, now preference seemed to be given to projects involving American capital.¹⁷⁴

With considerable encouragement from Washington, Gadsden sought to promote American commercial interests. Not satisfied with the liberal steps toward free trade, he suggested a frontier reciprocity agreement similar to that signed in 1854 for the Canadian frontier. He also made unsuccessful efforts to open the Mexican market to American tobacco. Various efforts to interest Mexico in a new commercial treaty to replace the existing one signed in 1831 were also unfruitful.¹⁷⁵ Gadsden's lackadaisical pursuit of his objectives may have been more responsible for his failures than any resistance on the part of the Mexicans.

In one area Gadsden's efforts were almost crowned with success despite his apparent lack of zeal. This involved the negotiation of a postal treaty. Progress here was the result of activity of an interested American citizen, Carlos Butterfield, who had supplied arms to the liberals during the revolution. After their victory Butterfield used his favorable connections to promote a project for a mail steamer service between the Gulf ports of Mexico and the United States. His project called for a binational line of steamers providing weekly service between Veracruz and New Orleans with stops at the lesser ports of both countries. The line would be subsidized by both governments and its position would be guaranteed in a postal treaty.¹⁷⁶ Using his influence both in the American legation (he had served

Gadsden as agent and courier on various occasions) and in Mexican governmental circles, Butterfield pushed his object to the verge of success. The project had already cleared fomento, treasury, post office, and foreign affairs when the death of Luis de la Rosa, the foreign minister, prevented the signature of the necessary treaty.¹⁷⁷ The new foreign minister, Juan Antonio de la Fuente, refused to sign the treaty or to renew negotiations with Gadsden whose successor had already been named.

Gadsden closed out his ministership with an action which caused a sensation in official circles in Mexico. On September 8, 1856, a ceremony was held honoring the memory of those Mexicans killed in the battle of Molino del Rey. Gadsden attended the ceremony in an apparent effort to demonstrate the friendship of the United States for the Mexican people. Had the gesture been made a year earlier when the liberals, fresh from their victory over Santa Anna, were still appreciative of the American minister's efforts to aid them, it might have produced positive results; now it appeared only as an artless attempt to appeal to the Mexican people over the head of their government.¹⁷⁸

The arrival of John Forsyth as Gadsden successor in October 1856 marked the end of Gadsden's three year ministry to Mexico. Little of economic importance had been accomplished on the diplomatic front during this period despite the announcement of a vigorous policy of commercial expansion in Washington and a receptiveness in Mexico for closer economic

ties with the United States. Much of responsibility for this failure rests with Gadsden. Despite his long association with the Southern commercial conventions and his espousal of economic independence and commercial expansion for the South, Gadsden lacked both an understanding of and interest in economic and commercial objectives. He saw his role in Mexico largely in political terms--to thwart the sinister plans of European powers to deny the United States its rightful sphere of influence. His concern with political ascendancy made it impossible for him to maintain harmonious relations with the liberals who were basically pro-American. Gadsden apparently expected to be treated as a proconsul, while the liberals were, for good historical reasons, very sensitive to undue American political influence. His effectiveness was also hampered by a marked disdain for Mexicans which was repeatedly voiced in his despatches to Washington and which was probably very visible to Mexicans.¹⁷⁹ Finally, Gadsden's erratic and abrasive personality did little to endear him to his hosts.

In contrast to the failures on the diplomatic level, private American citizens were active and successful after the liberals took power. The liberals themselves believed that their victory over Santa Anna had been aided by Americans and their government and had introduced a number of measures of immediate or potential economic interest to the United States and its citizens--lower tariffs, removal of restrictive measures, general encouragement of foreign participation

in the Mexican economy, and measures to force the sale of clerical property. Among the liberals there existed a reservoir of goodwill toward the United States and a desire for closer nonpolitical ties. This potentially profitable situation was not exploited by the United States due to the limitations of Gadsden as a diplomat and to Washington's concern with other issues, both foreign and domestic, which were deemed to be of greater significance.

NOTES

1 From the diary of the French minister, Andres Levasseur, Díaz, Versión francesa, 1:11.

2 The Ceballos tariff schedule was published in El heraldo (Mexico City), Sept. 4, 1855.

3 Lerdo to Santa Anna, Apr. 18, 1853, in El heraldo (Mexico City), Sept. 9, 1855.

4 See Zarco, Congreso constituyente, pp. 420-422.

5 Special consular report, John T. Pickett June 25, 1854, NA/CD/VC.

6 Dano to Paris, Mar. 5, 1854, in Díaz, Versión francesa, 1:102.

7 Dano to Paris, Mar. 5, 1854, in Díaz, Versión francesa, 1:102-105.

8 Benito Juárez, Documentos, discursos, y correspondencia, ed. by Jorge L. Tamayo, 12 vols. (Mexico City: Secretaría de Patrimonio Nacional, 1964-68), 2:13-14.

9 Juárez, Documentos, 2:15-21.

10 Plans of Ayutla and Acapulco are in Juárez, Documentos, 2:13-21. The expansion of presidential power is noted in Edmundo O'Gorman, "Procedentes y sentido de la revolución de Ayutla," Seis estudios históricos de tema

mexicano (Jalapa: Universidad Veracruzana, 1960), pp. 99-144.

11 Decree published in El heraldo (Mexico City), Sept. 2, 1855.

12 Dano to Paris, Apr. 1, 1854, in Díaz, Versión francesa, 1:105-107.

13 El heraldo (Mexico City), Sept. 2, 1855.

14 Decree of Sept. 5, 1855, in El heraldo (Mexico City), Sept. 18, 1855.

15 Hernández Rodríguez, Comonfort, pp. 126-135.

16 Instructions signed by Alvarez at La Providencia, Guerrero, May 17, 1854, certified by American Consul Charles L. Denman, Acapulco, May 23, 1854, in folder 17, CP, GC/UT. The certification of the signature of a rebel commander was a departure from normal consular practice of only certifying the signature of officials of the recognized government. Such a departure suggests that the American consul was sympathetic to the rebel cause. Since the same symbol (\$) was used for the currencies of both countries, it is frequently impossible to determine whether sums cited in documents refer to dollars or pesos. The question is of little import, however, since the peso and the dollar were of equal value during the period under study and no attempt will be made here to distinguish between the two.

17 Notarized and corrected copy of power of attorney, Alvarez to Comonfort, May 17, 1854, folder 17, CP, GC/UT.

18 Contract, Nov. 7, 1854, folder 17, CP, GC/UT.

19 Vol. 3, pp. 905-911, NA/RBO. Butterfield's activities in Mexico will be covered in detail later.

20 Contract, folder 17, CP, GC/UT and Zorilla, México y los Estados Unidos, 1:253.

21 John Temple, "Memoria justificativa de los hechos que forman los reclamos de Mr. John Temple contra el Gob[iern]o de México," pp. 143-160, GC/UT. This memorial of 296 pages has three parts, dated June 30, 1861, Sept. 2, 1861, and Sept. 30, 1865. The first part appears to be galley proofs with penna corrections and additions; the remaining two parts are in manuscript form. The third part was signed for Temple by J. A. Mendizábal. Nothing was found to indicate whether the memorial was ever published.

22 David M. Fletcher, "Prospecting Expeditions Across Central Mexico, 1856-57," Pacific Historical Review, 21 (1952), 22.

- 23 Diccionario Porrúa, 1:370.
- 24 Contract, folder 17, CP, GC/UT.
- 25 Order, Dec. 11, 1854, folder 17, CP, GC/UT.
- 26 Murillo, Mata, pp. 10-11.
- 27 Mata to Ocampo, 8-4-1 through 54, AHINAH.
- 28 Valades, Ocampo, pp. 286-290.
- 29 Murillo, Mata, pp. 10-11.
- 30 Juárez, Documentos, 2:11 and Diccionario Porrúa, 2: 1942-1943.
- 31 For contracts with both Comonfort and Juárez governments see Mata to Ocampo, Aug. 28, 1858, 8-4-105, AHINAH.
- 32 Diccionario Porrúa, 2:1942-1943.
- 33 Juárez, Documentos, 2:8.
- 34 The activities of La Sere will be covered in detail later.
- 35 Andre Levasseur to Paris, May 31, 1853, in Díaz, Versión francesa, 1:49-50.
- 36 Levasseur to Paris, Apr. 28, 1853, in Díaz, Versión francesa, 1:40.
- 37 Levasseur to Paris, Apr. 30, 1853, in Díaz, Versión francesa, 1:43.
- 38 Levasseur to Paris, Apr. 30, 1853, in Díaz, Versión francesa, 1:43-44.
- 39 Levasseur to Paris, Apr. 30, 1853, in Díaz, Versión francesa, 1:44-45.
- 40 Levasseur to Paris, May 4, 1853, in Díaz, Versión francesa, 1:44-45.
- 41 Zorilla, México y los Estados Unidos, 1:342-343.
- 42 Levasseur to Paris, May 31, 1853, in Díaz, Versión francesa, 1:48-49.
- 43 Alberto María Carreño, La diplomacia extraordinario entre México y Estados Unidos, 1789-1947, 2nd ed., 2 vols. (Mexico City: Jus, 1961), 2:76.
- 44 Carreño, Diplomacia extraordinario, 2:82-84.

45 Díaz, Versión francesa, 1:passim.

46 William Walker's activities in Baja California during 1853-54 were watched closely and reported in detail by French consuls and diplomats in Mexico and the United States, Díaz, Versión francesa, 1:79-88.

47 Díaz, Versión francesa, 1:50-153, passim and Rufus Kay Wyllys, The French in Sonora (1850-1854) (Berkeley: University of California Press, 1932), passim.

48 Despatches from the French legation in Mexico setting forth the need for French intervention became increasingly frequent and insistent after the Raousset fiasco and the arrival of Gabriac as minister in Dec. 1854. See particularly Gabriac's despatches of Jan. 25, and Mar. 4, 1855, in Díaz, Versión francesa, 1:160-163 and 168-169.

49 Richardson, Messages and Papers, 5:198-199.

50 Roy Franklin Nichols, Franklin Pierce: Young Hickory of the Granite Hills (Philadelphia: University of Pennsylvania Press, 1931), p. 220.

51 Nichols, Franklin Pierce, pp. 266-268.

52 Garber, Gadsden Treaty, pp. 66-67 and 81-82.

53 Garber, Gadsden Treaty, pp. 80-81.

54 Garber, Gadsden Treaty, pp. 12-14 and 22-23.

55 Garber, Gadsden Treaty, pp. 58-61.

56 Nichols, Franklin Pierce, pp. 218-223, deals with Pierce's efforts to satisfy the demands of the various elements within the Democratic party.

57 In addition to Mexico the Cazneaus had interests in Santo Domingo. Their activities will be treated in detail later. Spotty treatment of the Cazneaus are Walter Prescott Webb, ed., The Handbook of Texas, 2 vols. (Austin: The Texas State Historical Association, 1952), 1:318 and 2:122; Edward S. Wallace, Destiny and Glory (New York: Coward and McCann, 1957), pp. 245-275; William H. Goetzmann, When the Eagle Screamed: the Romantic Horizon in American Diplomacy, 1800-1860 (New York: John Wiley and Sons, 1966), pp. 69-71; and Merk, Manifest Destiny, pp. 132-134.

58 Garber, Gadsden Treaty, pp. 69-74.

59 Marcy to Gadsden, July 15, 1853, NA/DI.

60 Marcy to Gadsden, July 15, 1853, NA/DI.

61 Memorandum of instructions to Christopher L. Ward, Oct. 2, 1853, NA/SM.

62 Garber, Gadsden Treaty, pp. 90-97, covers events surrounding Ward's special mission.

63 Gadsden to Manuel Díez de Bonilla, Sept. 9, 1853; Gadsden to Marcy, Sept. 18, 1853; Gadsden to Díez de Bonilla, Nov. 29, 1853; and Gadsden to Marcy, Dec. 5, 1853, NA/DD.

64 Walker's career is subject of William Z. Carr. The World and William Walker (New York: Harper and Row, 1963); Mexican reactions are in 6-2-10, ASRE; the French view is in Díaz, Versión francesa, 1:79-83 and 102-105.

65 Gadsden to Marcy, Nov. 18, 1853, NA/DD.

66 Richardson, Messages and Papers, 5:271-272.

67 Carreño, Diplomacia extraordinaria, 2:82-84, reproduces terms of the proposed alliance.

68 L-E-1096, pp. 91ff., ASRE.

69 Garber, Gadsden Treaty, p. 99.

70 Garber, Gadsden Treaty, pp. 99-100.

71 Antonio López de Santa Anna. Manifiesto del presidente de la República á la nación (Mexico City: Cumplido, 1855).

72 Gadsden to Díez de Bonilla, NA/DD.

73 Gadsden to Díez de Bonilla, NA/DD.

74 "Notes of Diplomatic Conference for the Adjustment of Various Issues between the United States and Mexico," Dec. 1853, NA/DD.

75 Treaty terms summarized in Garber, Gadsden Treaty, pp. 103-104.

76 The ratification battle is best treated in Garber, Gadsden Treaty, 109-131, the Charleston Commercial Convention in Davis, "Commercial Conventions," pp. 180-192.

77 The ratified treaty is given in Hunter Miller, ed., Treaties and Other International Acts of the United States of America, 8 vols. (Washington: Government Printing Office, 1930-48), 6:300-301.

78 Marcy to Gadsden, May 11, 1854, NA/DI.

79 Gadsden to Marcy, May 21, 1854, NA/DD.

80 Gadsden to Marcy, June 9, 1854, NA/DD.

81 Dano to Paris, Jan. 4, 1845, in Díaz, Versión francesa, 1:88-93.

82 Dano to Paris, Jan. 4, 1854, and Feb. 2, 1854, in Díaz, Versión francesa, 1:88-93 and 100-101.

83 See Díaz, Versión francesa, 1:50-113 passim, especially 83-86 and 94-97.

84 Díaz, Versión francesa, 1:93-94, 97-100, and 103.

85 Santa Anna had apparently kept Dano informed unofficially of the progress of negotiations.

86 Jan. 3, 1854, in Díaz, Versión francesa, 1:86-87.

87 Mar. 5, 1854, in Díaz, Versión francesa, 1:103-105.

88 May 31, 1854, in Díaz, Versión francesa, 1:114-115.

89 Garber, Gadsden Treaty, pp. 137-138.

90 Levasseur to Paris, May 31, 1853, in Díaz, Versión francesa, 1:47.

91 Dano to Paris, Jan. 4, 1854, in Díaz, Versión francesa, 1:88-93.

92 Dano to Paris, Mar. 5, 1854, Díaz, Versión francesa, 1:102-103.

93 Ralph Roeder, Juárez and His Mexico. 2 vols (New York: Viking Press, 1947), 1:109.

94 El heraldo (Mexico City), Aug. 13, 1855.

95 Gadsden to Marcy, Aug. 1, Sept. 2, and Sept. 19, 1854, and Feb. 5, Feb. 19, and May 18, 1855, NA/DD.

96 Gadsden to Marcy, Dec. 18, 1854, NA/DD.

97 Almonte to Marcy, Oct. 19, 1854, NA/DN/Mex.

98 Gadsden to Díez de Bonilla Jan. 27, 1855, enclosed with Gadsden to Marcy, Feb. 5, 1855, NA/DD.

99 Gadsden to Marcy, Apr. 17, 1855, NA/DD.

100 Almonte to Marcy, May 14, 1855, and Jun. 20, 1855, NA/DN/Mex.

101 See especially Gadsden to Marcy, unofficial, Jul. 11, 1855; an undated despatch received Aug. 31, 1855; Nov. 25, 1855; and Oct. 4, 1856, NA/DD.

102 Gadsden to Marcy, Sept. 5, 1854, NA/DD.

103 Garber, Gadsden Treaty, p. 169.

104 Robles Pezuela to MRE, IV/333(73:72)/750, ASRE.

105 Marcy to Gadsden, Jul. 15, 1853, NA/DI.

106 Pickett to Marcy, Jun. 25, 1854, NA/CD/VC.

107 El heraldo (Mexico City) Sept. 4, 1855.

108 Leyes, decretos y ordenes que forman el derecho internacional mexicano o que se relacionan con el mismo (Mexico City: Filomeno Mata, 1879), 656.

109 Dublán and Lozano, Legislación, 7:29-31.

110 Pickett to Marcy, Feb. 21, 1854, NA/CD/VC.

111 Dano to Paris, Mar. 5, 1854, in Díaz, Versión francesa, 1:103.

112 Pickett to Marcy, Mar. 22, 1854, NA/CD/VC.

113 Chase to Marcy, Dec. 31, 1854, NA/CD/Tam.

114 El heraldo (Mexico City), Sept. 5, 1854.

115 Miscellaneous Letters, Department of State, NA, see especially letter from Lobach and Schepelera, Mar. 22, 1854.

116 Daily Picayune (New Orleans), May 2, 1854 and Mobile Register, Jun. 20, 1854.

117 Davis, "Commercial Conventions," 199-203.

118 Report by Gabriac, Dec. 31, 1854, in Díaz, Versión francesa, 1:158-159.

119 9-H-I-6, ASRE. Some of the documents are also given in Carreño, Diplomacia extraordinaria, 2:98-107.

120 Gabriac's despatches of Jan.-Mar. 1855, in Díaz, Versión francesa, 1:159-169.

121 Philippe Martinet to Paris, Jan. 15, 1854, in Díaz, Versión francesa, 1:93-94.

122 Díez de Bonilla to Gabriac, Mar. 2, 1855, in Díaz, Versión francesa, 1:169-175.

123 In Díaz, Versión francesa, 1:175-193.

124 In Díaz, Versión francesa, 1:190.

125 Gadsden to Marcy, despatches of Jul.-Aug. 1855, especially unofficial despatch, July 11, 1855, NA/DD.

126 El heraldo (Mexico City), Aug. 10, 1855.

127 Gabriac to Paris, Jul. 11, 1855, in Díaz, Versión francesa, 1:191.

128 Diccionario Porrúa, 1:376 and Roeder, Juarez, 1:116-117.

129 Gabriac to Paris, Aug. 25, 1855, in Díaz, Versión francesa, 1:195.

130 El heraldo (Mexico City), Sept. 10, 1855 and El monitor republicano (Mexico City), Sept. 13, 1855.

131 Gabriac to Paris, Aug. 25, 1855, in Díaz, Versión francesa, 1:195. Valentín Gómez Farías, the puro elder statesman, seemed to confirm the use of official American funds to support the Ayutla rebels in a draft letter to Alvarez, 4041, folder 58, GFP, GC/UT. No American records to substantiate this assertion could be found.

132 In Díaz, Versión francesa, 1:198-200. The refusal of Mexican newspapers to publish these charges and Gabriac's documentary proof may reflect on the veracity of the charges.

133 Gabriac to Paris, Oct. 12, 1855, in Díaz, Versión francesa, 1:209-211.

134 El heraldo (Mexico City), Oct. 17, 1855.

135 El heraldo (Mexico City), Oct. 17, 1855; Gadsden to Marcy, Oct. 19, 1855; and Gabriac to Paris, Oct. 12 and 19, 1855, in Díaz, Versión francesa, 1:209-213.

136 Carreño, Diplomacia extraordinaria, 2:84-86; José Ramón Pacheco, Mexican minister, Paris, to French foreign minister, Oct. 24, 1853, and Díez de Bonilla to Garbiac, Mar. 2, 1855, in Díaz, Versión francesa, 1:68-77 and 169-175.

137 El heraldo (Mexico City), Sept. 22, 1855.

138 Sept. 27, 1855.

139 El siglo XIX (Mexico City), Sept. 28, 1855.

140 El heraldo (Mexico City), Sept. 30, 1855.

141 Sept. 25, 1855.

142 Letter, Sept. 19, 1855, and undated draft in the hand of Gómez Farías, 4041, folder 58, GFP, GC/UT.

143 Alvarez to Gómez Farías, Sept. 25, 1855, 4047, folder 58, GFP, GC/UT.

144 Francisco Landero y Cos to Gómez Farías, Sept. 10, 1855, 4018, folder 58, GFP, GC/UT.

145 Landero y Cos to Gómez Farías, Sept. 10, 1855, 4018, folder 58, GFP, GC/UT.

146 Pickett to Marcy, Mar. 4, 1855, NA/CD/VC.

147 Signed receipt in NA/CD/VC.

148 Pickett to Marcy, Aug. 4, 1855, NA/CD/VC.

149 See below p. 367.

150 This was not the only occasion on which Robles Pezuela may have served as agent for a semi-official American project. During Nov.-Dec. 1858 Buchanan apparently believed that Robles Pezuela was pursuing a Buchanan proposal in Mexico, see below p. 259.

151 Gabriad to Paris, Sept. 13, 1855, in Díaz, Versión francesa, 1:201-203.

152 Gabriad to Paris, Sept. 19, 1855, in Díaz, Versión francesa, 1:203-205.

153 Gadsden to Marcy, Oct. 19, 1855, NA/DD.

154 Gadsden to Marcy, Nov. 25, 1855, NA/DD.

155 Diccionario Porrúa, 1:873-874.

156 Hernández Rodríguez, Comonfort, pp. 58-59.

157 Garber, Gadsden Treaty, pp. 155-157 and 171-173.

158 Almonte to Marcy, Nov. 3, 1855, NA/DN/Mex.

159 Gadsden to Marcy, Dec. 5, 1855, NA/DD. Over Gadsden's protest, Apr. 5, 1856, NA/DD, Washington acceded to the demands of the speculators and paid over the funds to them in Feb. 1856.

160 Gadsden to Marcy, Dec. 5, 1855, NA/DD.

161 See various despatches from Gadsden during 1856, especially that of Oct. 4, 1856, NA/DD.

162 Gadsden to Díez de Bonilla, exp. L-E-1932, ASRE.

163 Gadsden to Miguel María Arrijoja, Nov. 16, 1855, and Gabriac to Arrijoja, Nov. 19, 1855, H/110(73:0)"857-58"/1, ASRE.

164 Gadsden to Marcy, May 16, 1856, NA/DD and Marcy to Robles Pezuela, June 24, 1856, NA/DN/TM. See also Eugene Keith Chamberlin, "Baja California After Walker: the Zerman Enterprise," Hispanic American Historical Review, 34(1954), 175-189.

165 El heraldo (Mexico City), Nov. 28, 1855.

166 Robles Pezuela to MRE, May 3, 1856, exp. IV/333 (73:72)/750, ASRE.

167 Marcy to Gadsden, June 30, 1856, NA/DI.

168 El siglo XIX (Mexico City) and El heraldo (Mexico City) for the last five months of 1855.

169 Zarco, Congreso constituyente, passim.

170 Dublán and Lozano, Legislación, 7:254-256.

171 Dublán and Lozano, Legislación, 7:336-341.

172 El heraldo (Mexico City) issued frequent progress reports on these projects during 1855.

173 El heraldo (Mexico City), July 24, 1855.

174 These developments will be treated in detail in the following chapter.

175 Gadsden to Marcy, Aug. 4, 1856, NA/DD.

176 Butterfield, Steamship Line, pp. 709.

177 Butterfield, Steamship Line, pp. 809, and Gadsden to Marcy Aug. 4, 1856, NA/DD.

178 El heraldo (Mexico City), Sept. 10, 1856.

179 El heraldo (Mexico City), apparently collected a number of Gadsden's candid assessments of Mexicans but refrained from publishing these until after his departure, Nov. 18 and 21, 1856.

CHAPTER III THE FORSYTH TREATIES AND THE LIBERALS' SEARCH FOR SECURITY

Despite the adverse public reaction in 1855 to the idea of becoming a protectorate of the United States, by late 1856 private sentiment among Mexican liberals was growing for such an arrangement. This trend resulted from a number of problems which continued to block the liberals' dreams of utopia. The radical reforms had not produced the anticipated results, internal peace and order had not been achieved, and reform measures were met with new rebellions which kept the government on the verge of financial collapse. Mexico's financial distress also produced difficulties with her European creditors. The creditor countries, particularly France and Spain, opposed the reform programs of the liberals and felt increasing pressure to intervene in Mexico in the interest of their citizens, who owned Mexico's foreign debt, and of the conservative political elements with whose views they sympathized. In this setting Mexican liberals and their American friends sought to save Mexico and the reform program while promoting American economic and political interests by making Mexico an economic protectorate of the United States.

The liberal victory over Santa Anna in August 1855 failed to produce internal peace. There had been no final

military defeat of the conservative forces; their leader had merely abandoned them. The temporarily leaderless conservatives faltered badly, losing control of the government, but their social power was not seriously weakened. The liberal rejection of the conservative attempt, under the leadership of Martín Carrera, to co-opt themselves into the ranks of the rebels prevented any compromise. The subsequent interim government was decidedly partisan and tended to be dominated by the more radical and inflexible puro elements.

The failure either to defeat or to reach a compromise with the conservative forces seriously endangered the success of the liberal reform program. Each new measure became the occasion for new conservative pronouncements against the government. The Juárez law of November 1855, abolishing military and ecclesiastical fueros, and the Lerdo law of June 1856, divesting the Church of its property, produced many pronouncements. Puebla became the focal point of a series of church-military-conservative uprisings against the liberal government.¹

Continuing dissension within revolutionary ranks further complicated matters. In addition to the clash of ambitions among the various revolutionary chieftains, the three groups who supported the revolution--the moderates, liberals, and puros--lacked agreement on objectives and methods. The puros dominated the early phases, electing Alvarez as interim president and filling most of the positions in the cabinet. Comonfort's replacement of Alvarez in December 1855 was a

partial victory for the more moderate elements.² Yet the reformers continued to dominate the government and were able to direct developments in the constitutional congress which began meeting in February 1856.³

Foreign affairs offered the liberals little encouragement since good relations could not be maintained even with the United States which was favorably disposed ideologically to the liberals and their reform efforts. Relations with Europe's big three, Great Britain, France, and Spain, were particularly troubled. A major factor influencing the attitude of the European powers toward the new government was its inability to protect the lives and property of their subjects and to meet its obligations to the European holders of Mexico's foreign debt. For these tasks internal peace and a solvent treasury, two conditions lacking in Mexico, were essential.

Relations with Great Britain were the most challenging; she was not only the superpower of the era but her subjects dominated Mexico's foreign trade and held most of the foreign debt. Yet the British were also the easiest with which to deal since their objectives were economic rather than political. Britain supplied about half of Mexico's imports and accounted for as much as 90% of her exports.⁴⁰ British subjects also held from 2/3 to 3/4 of Mexico's foreign indebtedness. Freedom and protection for her merchants and regular payments to her bondholders were the major British concerns. The interests of merchant and bondholders often

clashed--merchants benefitted from low tariffs while the bondholders, whose payments were dependent on and frequently tied directly to customs revenues, benefitted from high tariffs. In the face of this conflict British diplomats tended to pursue a cautious policy in Mexico.

British diplomats were not hesitant, however, in defending British interests when these were clearly jeopardized. They made vigorous protests when a conservative revolt in Puebla threatened either to cut the flow of goods from Veracruz or to force the importers to pay double duties, one set to the liberals in Veracruz and the other to the conservative rebels in Puebla.⁵ The expulsion of Eustaquio Barron, a long-established British merchant, banker, notorious smuggler, and consul at Tepic, on the charge of promoting a revolt against state authorities caused a suspension of relations and almost led to hostilities before the matter was settled by a Mexican apology and an indemnity.⁶

Mexican relations with Spain were troubled by old problems, long standing hostilities, and new outbreaks of anti-Spanish sentiments. The failure of Mexico to fulfill the terms of Spanish claims conventions resulted in threats of blockade and invasion from Cuba.⁷ A series of attacks on individual Spaniards and their property added fuel to the controversy. At San Dimas in Durango independence celebrations on September 16, 1856, resulted in the sacking and burning of property belonging to Spanish citizens.⁸ When Spanish threats of coercive action over the claims question

increased, two Spanish owned haciendas in Morelos were raided on December 18 and 19 by masked gangs and all Spaniards present were killed. Other acts of violence against Spaniards raised the spector of a systematic effort to drive all of them from Mexico.⁹ The Spanish diplomats and their French colleagues were convinced that the Mexican government was implicated in the attacks in the person of General Juan Alvarez. Spain responded by breaking relations and renewing threats of military action.

No such deep seated problem intruded on the surface calm of Mexican-French relations, a calm which was underscored by the comic confrontation between the pompous French minister, Viscount Jean Alexis de Gabriac, and Francisco Zarco, editor of the prestigious El siglo XIX and puro member of congress. When Gabriac refused to preside over the efforts of a local French benevolent society to raise relief funds for flood victims in France and sent what was considered a niggardly contribution, a group of Frenchmen treated their minister to a charivari. Zarco gave this serenade of ridicule prominent and detailed coverage in his paper. Gabriac protested to the foreign ministry that he, the French flag, and the French nation had been insulted by Zarco's action. The government asked congress to investigate the charges against Zarco which it did in a session serving only to give greater notoriety to the embarrassing incident. After amusing itself with details of bad relations between the French community and its minister, congress agreed

unanimously, to the accompaniment of applause from Frenchmen in the galleries, that there was no case against Zarco. Finding his attempt to embarrass the government had backfired, Gabriac dropped the matter, apparently without ever having informed his government of these grave "insults."¹⁰

The Gabriac-Zarco incident did not, however, reflect the true state of Franco-Mexican relations. After an unsuccessful attempt to get Comonfort to establish a strong military government with French backing, Gabriac decided the liberals, willingly or unwittingly, were pursuing policies favorable to American expansion.¹¹ He retained close ties with conservative and monarchical elements, while the foreign ministry in Paris gave consideration to petitions for a European-guaranteed monarchy.¹² Before the end of 1856, the French legation became actively involved in assisting Mexican conservatives in drawing up plans for French military assistance to establish a French-oriented monarchy in Mexico as a "barrier against the United States."¹³

In November 1856, Gabriac, who had counted on Anglo-French cooperation in blocking the southward expansion of the United States, was shocked to learn that his British counterpart did not share his assessment of the dangers it posed for European trade. Lettson, the British chargé, reportedly felt that American expansion could only produce "a new and powerful stimulant to commerce."¹⁴ Gabriac could only credit such views to British fear of antagonizing the chief supplier of cotton upon which their mills depended.

He undertook a campaign to educate his diplomatic colleague about the evils of American expansion.

At the heart of Mexico's difficulties with European powers was the government's precarious fiscal condition. The victorious liberals inherited a government with debts estimated at \$120,000,000,¹⁵ and an annual income of only \$10,000,000. The major source of government revenue should have been customs revenue but 70-90% of them were committed to satisfying the foreign owners of Mexico's debt. New loans at ruinous rates were the only means of financing the daily costs of government. The result was a chronic fiscal crisis in which the treasury portfolio was accepted reluctantly by experienced politicians and abandoned at the earliest opportunity.

Mexico was trapped in a vicious circle. The debt-ridden government's inability to protect foreign lives and property by suppressing political turmoil and brigandage drove away all but the most unscrupulous sources of credit while providing grounds for new foreign claims. The attempt to expel the British merchant-consul Barron illustrates some of the difficulties Mexico faced. Barron was widely known as a speculator who preyed on hapless Mexican governments. While the liberals publicly justified banishment by citing his involvement in fomenting revolts, Santos Degollado, who ordered the expulsion, defended the decision before congress by pointing out that Barron had defrauded the government of untold revenues by using his official position to cover

extensive smuggling operations. The deputies' consideration of the question was dominated by a realization of Mexico's debtor status.¹⁶

The one power from which the liberals expected sympathy, understanding, and assistance during this trying period was the United States, but it was too occupied with domestic problems and other international questions, to give more than passing attention to Mexican affairs. Gadsden, whose recall had been requested four times, whose despatches suggested a paranoid complex, and who was conducting a personal and political feud with both the president and secretary of state, was inexplicably allowed to remain at his post for months. That few of his despatches were answered suggests that Gadsden and Mexican affairs were ignored by Washington during the first half of 1856.

Despite international problems and domestic difficulties progress was made during 1856 toward realization of liberal reforms. The constitutional congress provided for in the plan of Ayutla began meeting in February and served as a forum for the expression of liberal economic ideas. Issues ranging from religious toleration to the nature and origin of private property provoked statements of economic and developmental ideas varying from moderate to radical. Consideration of a proposed article for religious toleration produced a discussion of the relationship between this topic and immigration. To the radicals, religious toleration would accomplish two equally attractive objectives;

it would attract foreign immigrants and reduce the preponderant influence of the clergy. Questions of governmental powers, individual liberties, and property rights were all submitted to similar analyses of their effects on economic development.¹⁷

The constitutional provisions adopted by the congress did not always reflect the radical rhetoric of the puros, although there were some notable gains. Article 124 abolished alcabalas.¹⁸ With exceptions for the coinage of money, for post offices, and for limited patent privileges, article 28 prohibited all monopolies.¹⁹ Article 11, guaranteeing freedom of travel for both Mexicans and foreigners and abolishing cartas de seguridad (security letters) was attractive to immigrants and entrepreneurs.²⁰ Article 30, which bestowed Mexican citizenship on foreigners acquiring real property in Mexico, was approved unanimously without debate.²¹ Article 33 guaranteed foreigners all the rights of man as defined in the constitution.²²

Provisions designed to attract the foreigner, both as entrepreneur and as immigrant, were counterbalanced by others allowing the government to expel pernicious foreigners, making them subject to Mexican laws, and denying them any special status before Mexican courts. The constitution also gave Mexican citizens preference over foreigners in government appointments, employment, and contracts.²³ The discussion of restrictions on foreigners, and of such topics as the power to levy tariffs, abolition of monopolies, religious

toleration, took the form of analyses of how foreigners could assist in stimulating economic development without infringing on national economic independence or reducing Mexicans to the status of mere laborers in their own economy.²⁴

Fear of dictatorship caused the liberals to define the role of the president in a very restricted manner. Missing from his powers as constitutionally defined were the sweeping provisions of the plan of Acapulco for "promoting whatever was conducive to its [Mexico's] prosperity, aggrandizement, and progress." Nor were such powers specifically given to congress by the new charter. Despite this lapse, discussions in congress made clear the confidence of the liberal and puro leadership that national progress and development would be an objective of the government under the federalist constitution.²⁵

Despite congressional suspicions of a strong executive and the congressional puros' open antagonism toward the moderate Comonfort,²⁶ the provisional government made considerable progress toward economic reform during 1856. The most radical measure was the decree (Ley Lerdo) issued June 25 and approved by congress three days later, forcing ecclesiastical and civil corporations to divest themselves of all real property not directly related to their functions.²⁷ This decree, aimed chiefly at church property, was seen as a multi-purpose measure by its author, treasury minister Miguel Lerdo. In a circular explaining the new law Lerdo directed attention to two aspects under which it should be considered:

First, as a resolution which will cause to disappear one of the economic errors which has contributed most to maintaining amongst us the stagnation of property and to impeding the development of those arts and industries dependent upon it [property]; second, as an indispensable measure to remove the principal obstacle which has until now been present for the establishment of a uniform and scientifically arranged revenue system [by] mobilizing real property which is a natural base for any good system of taxes.²⁸

The forced sale of church property, it was expected, would stimulate the economy and with the end of mortmain a new basis for taxation would be possible--taxes on sales of real property. Lerdo also hoped that a special tax on forced sales would provide an immediate windfall for the treasury, that the law would create a new class of small property owners who would be strong supporters of reform, that by encouraging new enterprises work could be provided for the unemployed masses of the cities, and that the church's ability to mislead them would be weakened.²⁹

Ley Lerdo fell short of expectations. The lower classes, for and from whom the puros expected much, failed to respond adequately as a result of lack of funds, lack of understanding, and fear of the clergy. Foreigners and the "few thousand" wealthy Mexicans, about whom Lerdo had earlier warned Santa Anna, were quick, however, to acquire church property.³⁰ Many Americans were involved in these sales. For example, during the period October to December, Carlos Butterfield, along with several Mexican partners, purchased 29 pieces of property in the Federal District valued at \$174,328.³¹ Gabor Napheggy purchased a significant amount of church property in Puebla.³²

A less radical but equally significant measure for the future of the Mexican economy was the decision to retain the fomento ministry created by Santa Anna. A newspaper campaign prevented executive repeal of the 1853 decree establishing fomento. Under Alvarez, Miguel Lerdo was recognized as the acting head of fomento and on December 12, 1855, Comonfort appointed Manuel Siliceo as fomento minister.³³ Congress indirectly recognized the office as permanent when it included a special commission for fomento among the commissions created to investigate and review each ministry's activities under Santa Anna.³⁴ The commission made its study and reported the favorable results to congress without ever publicly questioning the validity of the decree creating the ministry.³⁵

The liberals replaced temporary measures taken during hostilities to remove restrictions from foreign commerce by a new general tariff on January 31, 1856. The new tariff law sharply reduced the number of items on the prohibited list and set the average tariff rate at a reasonable 30%. To attract American commercial interests the tariff measure created new ports of entry along the Rio Grande, on the Gulf of California in Sonora, and in the Tehuantepec Isthmus.³⁶ Santa Anna's harsh navigation act was repealed on January 11, 1856, by a measure providing a subsidy for Mexican flag vessels without penalizing foreign vessels importing goods from a third country.³⁷ The American consul in Veracruz found the new measures so favorable to American interests

that he doubted whether they could long remain in force.³⁸

Immigration and foreign participation in the Mexican economy were also encouraged. Santa Anna's decree outlawing the use of foreign currency was repealed by a decree specifically recognizing foreign coins as legal tender.³⁹ The liberal press mounted a successful campaign for suspension of the law requiring foreigners to register with the foreign ministry and to carry registration documents (cartas de seguridad).⁴⁰ Older laws restricting the property rights of foreigners were replaced on February 1, 1856, by a fomento decree giving foreigners almost the same real property rights as Mexican citizens. The measure also allowed the acquisition of real property to serve to naturalize the foreign purchaser.⁴¹ These measures, endorsed by the liberal press as important steps in attracting foreign immigrants and investment,⁴² served as models for later constitutional provisions.

During 1856 the number of foreigners, particularly Americans, seeking fomento contracts and other investments opportunities in Mexico increased notable, although the increase can not be clearly credited to the enactment of reforms. One of the most active individuals was Gabor Napheghy.⁴³ In addition to buying church property under Ley Lerdo, Napheghy developed gas lighting systems. He had established a plant to supply Veracruz with gas lighting during Santa Anna's administration and in June 1856 he became a partner in a faltering firm holding a contract for

gas lighting in Mexico City. At the same time and in conjunction with a trip to the United States to secure financing and buy equipment for the new gas generating plant, Naphegy was appointed as a special agent by the fomento ministry to secure examples of new instruments and machines for possible use in Mexico. Concurrently he was to serve as Mexico's colonization agent for the United States and Canada, with authority to appoint sub-agents in the major American and Canadian port cities.⁴⁴

There was renewed interest in railroad concessions during this period. In August 1856 Albert C. Ramsey acquired a fomento contract for a railroad from Anton Lizardo, just south of Veracruz, to Acapulco with branches to Puebla and Mexico City.⁴⁵ Ramsey's status with the liberals was probably enhanced by acquaintances made during the war in which he served as a colonel, and by his translation and editing for English publication of the liberal pro-Mexican Apuntes para la historia de la guerra entre Mexico y los Estados Unidos.⁴⁶ A few days later George L. Hammeken contracted to build a tramway from Mexico City's main plaza to the nearby community of Tacubaya where many of the upper class maintained country estates.⁴⁷ Hammeken, identified as from New Orleans,⁴⁸ had been in Mexico for several years as an agent for Rothschild,⁴⁹ and was married to the daughter of General José A. Mejía an old liberal federalist.⁵⁰ Of these two grants only on the latter was work begun and a transport system completed; the former was apparently secured only

for speculative purposes. A third grant was secured on May 15, 1856, by Estevan Zenteno and José Dionisio Gonzalez for a railroad from Matamoros to Monterey. Although the recipients of this grant were apparently Mexican citizens, the grant allowed them to organize their company in New Orleans, which was done on May 19, 1856.⁵¹

To gain expertise and public support for economic reforms, the government created a series of special commissions to recommend changes in specific areas. Prominent figures were appointed to make studies of such areas as mining, agriculture, tariffs, colonization, and railroads.⁵² The railroad commission, junta directiva de caminos de hierro, was the most prestigious and permanent of these bodies; its three man board was charged with speeding up work on routes already under construction and to promote the start of others.⁵³ The junta was given special responsibilities for the railroad from Veracruz to Mexico City. As the government's agent, it had authority to use funds produced by a special 20% additional tariff, known as the material improvements tariff, to insure a return of 6% on money invested in building and operating the route. For money thus expended the junta received stock in the company. The junta could also use the material improvement funds to finance surveys of various other routes.⁵⁴

Liberal enthusiasm, reform measures, and the letting of contracts by fomento proved inadequate to change materially the general picture in Mexico. Liberal enthusiasm could

neither unite the country nor fill its coffers. In many cases persons securing fomento contracts made no effort to carry out their terms, but sought instead to sell their privileges for a quick profit. Tariff reductions resulted in a loss of governmental revenues at the same time that radical reforms were serving as the pretexts for new conservative revolts. These uprisings could be put down only at the cost of ruinous new loans or defaults on old obligations which, in turn, increased the threat of European intervention.

The relations of the Mexican government with John Temple and Gregorio Ajuria illustrate the difficulties facing Mexico and the response of the liberal government to them. As noted in chapter II, Ajuria was a wealth Spaniard residing in New York. He and his father-in-law, John Temple, already had interests in Mexico before making a loan of \$60,000 to Comonfort in 1854.⁵⁵ Comonfort later indicated that this loan had been vital to the success of the revolution.⁵⁶ The loan was secured and at least partially repaid by assignments of customs revenues from the ports of Acapulco and Mazatlán. To suppress the conservative uprising at Puebla in the winter of 1856 the treasury again turned to Ajuria and associates for a loan of \$300,000.⁵⁸ In June the government's past and present indebtedness to Ajuria and Temple was cancelled and a new loan of \$500,000 was secured in return for a ten year lease on the Mexico City mint. This generous settlement, arranged by the treasury minister, Miguel Lerdo, allowed the new leaseholders to collect and

retain most of the duties chargeable on gold and silver mined in the central and southern regions of Mexico.⁵⁹ A few months later, possibly as a result of a general understanding at the time of the mint lease, Comonfort terminated the publication of the official newspaper and gave the government's business to El estandarte nacional owned by Ajuria.⁶⁰

While the liberal government and its reform program were encountering increasing difficulties, there were developments in the United States of significance for the future of Mexico. At the Democratic convention meeting in Cincinnati in June 1856, an unsuccessful effort to renominate Pierce was led by John Forsyth, head of the Alabama delegation, owner and editor of the Mobile Register, and son of John Forsyth the elder, who had served as governor of Georgia and as secretary of state under Andrew Jackson and Martin Van Buren.⁶¹ Twenty-five members of congress had already recommended his appointment to a high diplomatic or consular post,⁶² and his service to the lost cause of renomination gave him first call on available patronage positions. The demands for Gadsden's removal⁶³ made the Mexican minister-ship available, while Forsyth's knowledge of Spanish⁶⁴ and his service during the Mexican War⁶⁵ recommended him for that post. Forsyth was formally notified of his appointment as American minister to Mexico on July 21, 1856.⁶⁶

As a lame duck president, Pierce had apparently decided to improve relations with Mexico. Manuel Robles Pezuela, the Mexican minister in Washington, reported that

Pierce had attempted to find the most capable and acceptable individual for the minister's post. Senator Judah P. Benjamin of Louisiana had been considered, but his close ties with groups interested in the Tehuantepec transits made him unacceptable to both Pierce and Mexico. Pierce assured Robles that Forsyth would be the best American diplomat ever sent to Mexico and that he would work to achieve "friendly and cordial relations." Under the circumstances Robles thought that Pierce was sincere and that Forsyth's appointment was the best that could be expected.⁶⁷

The written instructions issued to Forsyth were in accord with Pierce's expressed desire for better relations.⁶⁸ Forsyth's principal task was to counter "the impression that the United States have sinister views toward Mexico" and to emphasize "the friendly regards and fair purposes of the United States." His specific objectives were to encourage a reduction in Mexican tariffs favorable to American commerce, to promote friendly commercial relations, to seek a settlement to the long standing claims question, to negotiate a postal treaty if this proved possible, and to evidence a continuing interest in the completion of a transit route across Tehuantepec.

Forsyth may have received oral instructions that went beyond those furnished in writing. In the archives of the Mexican foreign ministry an extract in English exists of instructions from Marcy to Forsyth authorizing the negotiation of a frontier reciprocity treaty along the lines of that

signed with Great Britain for the American-Canadian frontier in 1854.⁶⁹ There are three possible explanations for this document. In two of these the document represents Forsyth's oral instructions; it could have been furnished to Robles in Washington by Marcy or Forsyth may have given it to the ministry to support his oral instructions. A third possible explanation was that Forsyth forwarded the extract to the foreign ministry to back his efforts to negotiate a frontier reciprocity treaty which, in fact, he had not been authorized to negotiate.

Evidence points to the latter possibility as the more likely. When in February 1857 Forsyth forwarded to Washington a series of treaties including a frontier reciprocity agreement the administration appeared not to have anticipated that any treaties would be negotiated, which would suggest that Forsyth had acted on his own authority.⁷⁰ Also in the despatch forwarding the treaties, and in several others Forsyth indicated that he had exceeded his authority, without indicating whether this admission applied only to some or all the treaties.⁷¹

The likelihood of this explanation is increased by consulting earlier expressions of Forsyth's views. As an active political figure and newspaper editor, Forsyth had given considerable attention to the economic aspects of sectional differences. He saw economic activity as divisible into two categories--productive and distributive. The former was the source of wealth, the latter of power. The

agriculture of the South and West was the real source of national wealth. But the South and West were economic colonies of the North through its control of commerce and manufacturing which gave it all the benefits of national wealth. Commerce and manufacturing were parasitic forms of activity which converted the natural wealth of agriculture into economic and political power. A region or country could reap the full benefits of its economy only when it could control both the productive and distributive phases.⁷² These views made Forsyth a vocal advocate of direct trade and commercial independence for the South.

What Forsyth saw in Mexico reinforced his views. Shortly after his arrival he met Miguel Lerdo and became acquainted with Lerdo's statistical study of Mexico's foreign trade.⁷³ Here he discovered that the British dominated the Mexican economy in a fashion similar to the North's domination of the South. Approximately half of Mexico's import of manufactured and luxury goods were supplied by the British, while almost all Mexican exports were in British hands. By controlling commerce the British were able to enjoy most of the benefits of Mexico's legendary wealth.

Within a few weeks of his arrival in Mexico, Forsyth was discussing the wealth of Mexico in hyperbolic terms. Ways must be found, he felt, for the United States to secure control of these great riches.⁷⁴ He noted that American commerce with Mexico had suffered greatly during the past decade and that American influence in Mexico would not increase until

methods were found to protect and promote American commercial activities.⁷⁵ An increase in American commercial power with a corresponding decrease in that of the British became Forsyth's goal.

Forsyth doubtlessly found Americans in Mexico who also encouraged him to push American economic expansion in Mexico. Travelling on the same ship from New Orleans to Veracruz with him was Edward Lee Plumb, a young mining promoter from California.⁷⁶ Plumb had been in and out of Mexico several times during the past few years and had established contacts in both liberal and conservative circles.⁷⁷ On November 15, 1854, Plumb, in partnership with Santa Anna's son-in-law, had secured from fomento exclusive rights to exploit iron and coal deposits over a large area of Guerrero and Michoacán.⁷⁸ Plumb had also become interested in railroad possibilities though his contacts with Gadsden.⁷⁹ In October 1856, Plumb, after having found financial backing in New York, Boston, and Philadelphia for his mining grant, was returning to Mexico to secure a time extension on his grant and to arrange for a more extensive survey of Mexican mining prospects.⁸⁰

When he arrived in Mexico City Forsyth found Carlos Butterfield anxious to reopen negotiations for the postal treaty upon which a mail steamer service would depend. Butterfield probably used the same arguments with Forsyth that he would use later with the American congress. He later argued persuasively that a subsidy for his steamship line

was a small price to pay for the economic benefits such a line would bring. Regular weekly steamer service was the first step in a program to divert Mexico's foreign trade from British to American hands. As Mexican commerce shifted toward the United States, Butterfield foresaw such an inflow of American capital and technology that Mexico would soon become the American counterpart to Britain's India.⁸¹ Even if Forsyth had received no authority to negotiate for frontier reciprocity and American commercial expansion, these arguments would have been sufficient to turn his thinking in that direction.

Forsyth's interest in expanding American commercial interests in Mexico was heightened and a sense of urgency added by the situation he found in Mexico. Like his predecessor, Forsyth quickly decided that Comonfort was playing into the hands of Britain and France and concluded that American interests could best be promoted through the liberals and puros. "A leading feature of their plan is to encourage American emigration, to develop the great natural resources of this superb country, build railroads, etc." These pro-American views reflected a conviction in the minds of many liberals that "without the intervention, aid, or guarantee of the United States, . . . a stable Government can never be secured to this people."⁸²

Out of his discussions with liberal leaders and his observations of conditions and events in Mexico, Forsyth quickly elaborated a new project for an American protectorate,

or perhaps he only revised the 1855 plan which his predecessor and the liberals had denounced in such strong terms. In any case, Forsyth lost no time in endorsing the idea. He presented his credentials on October 23, and November 8 he was presenting an elaborate protectorate scheme to Washington as his own creation.⁸³ The Mexican historian José Fuentes Mares attributes the origin of Forsyth's economic protectorate ideas to Miguel Lerdo.⁸⁴ Such attribution can only be made on a speculative basis. Lerdo was clearly one of Forsyth's early Mexican confidants and may have guided Forsyth's thinking, but if so, he encountered well prepared ground.

The heart of Forsyth's proposal was an alliance between the liberal Mexican government and the United States. The United States should grant loans which would enable the liberals to stabilize their government and, with American cooperation, to crush the church-conservative opposition. As Forsyth saw it, the Church and the army were the most powerful institutions in Mexico and for a government to survive it must control one of these sources of power. An American loan would allow the liberals to purchase the allegiance of the army; and with the army behind it, the government could destroy the political and economic power of the Church. To insure full liberal control of the army, Forsyth recommended that several thousand selected Americans be introduced into its officer ranks.⁸⁵

Not only would loans allow the liberals to put down the pronunciamientos in favor of "religion y fueros," which

Forsyth saw occurring on all sides, but they would make less likely a successful alliance between European powers and Mexican conservatives. Again, like his predecessor, Forsyth saw the large Mexican debt held by British, French, and Spanish interests as a threat to the survival of an independent and liberal Mexico. The inability of the fiscally distressed liberal government to service these debts created the danger of European intervention--an intervention actively courted by the conservatives as a means of regaining power. An American loan to liquidate this debt would forestall both intervention and alliance.⁸⁶

To justify this expenditure of American diplomatic power and financial resources, Forsyth pointed not only to economic benefits but also the political desirability of "Americanizing" Mexico. He claimed that American merchants, ship captains, and other commercial interests had suffered "a series of atrocious wrongs and outrages" because of "the deep rooted prejudice and jealousy" of Americans in the minds of many local and state officials. Justice and American prestige demanded that the claims growing out of these abuses be satisfied and future abuses avoided. But, traditional diplomatic means of settlement, Forsyth argued, were useless in this case. The central government could not, or would not, accept responsibility for damages caused by state and local officials. Only two alternatives were available: to station naval forces on both coasts and so intimidate local officials that American interests would be protected, or to

pursue a friendly and pacific policy through a protectorate as a means of removing the popular prejudice against Americans.⁸⁷

Forsyth foresaw the potential for using the liberal-puro predilection for the United States as a vehicle to gain full control over Mexico's economy and her fabulous natural resources.⁸⁸ With the prejudice removed and friendly liberals in power, American settlers, capitalists, and technicians would sweep across Mexico building railroads, opening mines, operating prosperous farms and ranches, handling the commercial transactions, and supplying the manufacturing needs. If the favorable moment were acted upon, Forsyth inquired, "should we not enjoy all the fruits of annexation without its responsibilities and evils? Could we not secure for our countrymen the enjoyment of the rich resources of the Mexican country, without the danger of introducing, into our social and political system the ignorant masses of the Mexican People?"⁸⁹

While Forsyth could not expect a response from Washington to his recommendation in less than six or eight weeks, he conducted himself as if he had unlimited authority. He established close contacts with puro leaders, especially with Miguel Lerdo, who was minister of the treasury and, after November 14, acting foreign minister.⁹⁰ In what may have been an effort to impress the new American minister, Lerdo undertook to guide Plumb's applications for an extension of time on his mining grant and for surveying permits through the appropriate Mexican offices in less than a week.⁹¹

Lerdo and Forsyth discussed relations between their countries, including the possibility of a protectorate. Forsyth became aware of and encouraged puro efforts to force Comonfort to resign and to have Lerdo named substitute president. Lerdo also kept Forsyth fully informed of the difficulties encountered by the treasury in raising funds to operate the government and to suppress a series of conservative revolts.⁹²

Apparently Forsyth and Lerdo discussed matters in terms of what might be possible once Lerdo assumed the presidency. As this eventuality became less likely, they decided to use Lerdo's position as acting foreign minister to get the protectorate question introduced before the cabinet. Possibly to disguise their prior understanding on the matter, and perhaps that of several other members of the cabinet, a long-standing case involving the protection of American citizens was selected as the vehicle for formal presentation of the proposal. The specific case was that of the Zerman filibustering expedition of 1855. Zerman, a French adventurer, demanded protection as an American citizen. Despite Gadsden's efforts the case still languished in the courts when Forsyth assumed his duties as minister.⁹³

Forsyth and Lerdo set forth their respective positions on the Zerman case in an exchange of notes⁹⁴ before arranging for a conference at the National Palace.⁹⁵ The meeting took place on December 16, and after preliminaries, in which each government set forth again its formal position on Zerman, the conferees quickly moved the discussion to an analysis of

the difficulties facing the Mexican government. Forsyth's demands that the Zerman prisoners be furnished with adequate money to cover their needs for food, clothing, and shelter gave Lerdo the opportunity to inform the American minister of the desperate plight of the Mexican treasury. The treasury was bankrupt while reactionary rebels and ambitious generals were challenging the government on every side. According to Forsyth's report,

the present government he [Lerdo] was convinced was the best, was the most liberal in principle she [Mexico] had ever had, but he was equally persuaded that that Govt. could not sustain itself against the disorganising elements now unhappily rife, throughout the country, without the pecuniary aid of some friendly power. For that aid he could only look to the United States, as the natural ally of his country.

Lerdo also stressed the importance of the British debt as a threat to Mexican survival. This obligation, which produced a continuing threat of British intervention, "could be got rid of by Mexico unaided, but only in a manner that might involve consequences, threatening the national integrity."96

Forsyth reported that Lerdo proposed an American loan as a means of rescuing Mexico from her difficulties. The pending postal treaty, settlement of all other outstanding problems, and the loan could be handled simultaneously. The amount required by Mexico would be insignificant for the United States but would produce inestimable advantages for both countries. With the money Mexico could achieve financial solvency, suppress the revolts, and remove the British

threat by paying off the debt. Action, Lerdo emphasized, must be soon for Mexican cabinets and governments changed quickly and this opportunity might be lost forever. Lerdo asked if Forsyth had authority to enter into such agreements. Forsyth admitted his lack of specific authority but indicated a willingness to undertake such negotiations while awaiting appropriate instructions from Washington.

At the conference Lerdo did not clearly specify what would be the benefits to the United States of this course of action, but Forsyth was not at a loss in explaining these to Washington. The alliance and loan would give Americans an almost exclusive privilege to exploit the vast resources of Mexico; they would be the first steps in the process of "Americanizing" Mexico, of securing all the advantages of annexation without any of the risks and dangers.

The moment seems to be propitious [Forsyth wrote] to take advantage of the financial strait in which Mexico finds herself, to close up all of the business of the Legation with her Government & to accomplish some objects of great interest to the U. States. . . . It is not easy to perceive how a few millions can be disbursed from our plethoric Treasury with superior results & profit & advantage.⁹⁷

The moment did indeed seem propitious. The liberal government and the reform program appeared to face certain doom in December 1856. Pronouncements against the government reached a new level of frequency. The British and French ministers were responding positively to feelers about their policies toward a conservative group which would shortly drive the liberals out of power. The British

minister's hostility toward the Comonfort administration gave substance to press accounts that a British fleet would arrive soon at Veracruz to enforce his demands for satisfaction of a long list of complaints. Apparent spontaneous attacks on Spanish subjects and their property in various parts of Mexico seemed to presage war with that power.⁹⁸ In the face of these problems the government was paralyzed by two internal struggles--that between the president and congress and a related struggle between the moderates and the puros.

Miguel Lerdo added to the confusion by precipitating a cabinet crisis. He was the favorite of most puros to replace Comonfort and had been intriguing for months to drive Comonfort from power.⁹⁹ Lerdo, whose primary cabinet responsibility rested with the treasury, presented the proposed American loan and alliance to the cabinet as the only measure which would allow the treasury to be reorganized on a firm basis and Mexico to be saved. The proposition that an American protectorate was only means of saving the liberal government had been suggested to the cabinet by Lerdo as early as November 10, and Comonfort had indicated he would join the rebels before he would accept such a proposal.¹⁰⁰ Now Lerdo announced that he would leave the cabinet unless his plans were accepted.

The resulting cabinet crisis lasted over two weeks. The liberal press began immediately to line up behind one or the other of the principals in the dispute--Comonfort and Lerdo.¹⁰¹ The puros rallied to Lerdo's support and

aroused public opinion in his behalf. The collapse of the liberal government and a conservative take over were predicted as certain to result from Lerdo's resignation.¹⁰² Conferences between Comonfort and Lerdo encouraged belief that a compromise was in the making.¹⁰³ Lerdo did not wish a compromise, however, since his objective was to force the resignation of Comonfort. Forsyth believed Comonfort lacked the courage to accept either alternative--Lerdo's proposal or Lerdo's resignation, but Comonfort displayed unexpected courage and accepted Lerdo's resignation on January 3, 1857.¹⁰⁴

Lerdo's failure to unseat Comonfort forced Forsyth to halt his preparation of protectorate treaties, but it did not materially lessen his conviction of ultimate success. He remained in contact with Lerdo and other sympathetic liberals and expressed confidence that "hard necessities" would soon force Comonfort either to restore Lerdo to the cabinet or to continue the negotiations through someone else. The Zerman case now served as vehicle to signal the government's attitude on the protectorate project. During the cabinet crisis over Lerdo's threat to resign, the duties of foreign minister were exercised by the oficial mayor of the ministry and Forsyth encountered a very inflexible Mexican attitude on the Zerman case. The new minister, Ezequiel Montes, who was a political opponent of Lerdo, also adopted a rigid attitude relative to Zerman.¹⁰⁵

Forsyth's assesement of the effect of "hard necessities" proved correct, for on January 8 Montes confidentially

informed him of the government's desire to resolve in a friendly and generous manner all issues pending between the two countries.¹⁰⁶ Montes indicated his willingness to discuss any proposal that might help them "arrive at a total arrangement." Forsyth took this to indicate that conditions were forcing the government to consider his scheme.¹⁰⁷ A study of the Mexican foreign ministry archives on these negotiations raises doubts as to any reluctance on the part of the Mexicans. The voluminous file covering earlier negotiations with Gadsden contains ample evidence that the foreign ministry was anxious for closer relations with the United States, for more regular communications guaranteed by a postal treaty, for financial and moral support, and for closer economic and commercial ties.¹⁰⁸ If this was the case, then the delays encountered by Gadsden and Forsyth likely were products of Mexico having used good negotiating technique--the enhancement of bargaining power by appearing to be opposed to the proposals of the adversary. In this case Lerdo may have been a victim of his own cleverness. Comonfort's display of opposition to Lerdo's proposals may have merely been a maneuver to force the more radical Lerdo out of the cabinet.

At any rate, Montes' guarded indication of a readiness to negotiate opened the door to a series of conversations and within two weeks Montes and Forsyth were exchanging drafts of loan and postal treaties. The project as now advanced by Mexico differed from the Lerdo proposal only in failing to include an overt alliance. By February 2, Forsyth

assumed that everything was settled and that only the formality of signing remained. Unexpected resistance by the Mexicans developed, however, causing Forsyth to fear that the negotiations were being scraped. But it was only a last Mexican bid for more favorable terms. On February 10, 1857, an interdependent set of five agreements were signed and forwarded to Washington for approval.¹⁰⁹

The agreements consisted of three treaties and two conventions. Probably the key document, a treaty for an American loan of \$15,000,000, involved extensive concessions to American commerce. American commercial interests were also served by a frontier reciprocity treaty modelled on the Canadian treaty of 1854. A postal treaty providing for joint subsidization of a mail steamer service between New Orleans and Veracruz offered the promise of mutually profitable commercial expansion. A convention providing for a mixed claims commission sought to remove the irritant of unsettled claims. Finally a general convention recognized the four specific agreements as forming "a single indivisible whole in such a manner that the rejection of one, involves the rejection of the whole."¹¹⁰

The most desirable aspects of the agreements from the Mexican point of view were the provisions for a loan and for the establishment of regular steamer service to American ports. American financial resources from both the loan and the claims settlement were considered absolutely essential for the survival of liberal Mexico. In a proposal advanced

on January 22, Mexico had sought to combine the loan and claims provisions. Under this proposal, Mexican claims against the United States were estimated at \$12,000,000. To this sum was added a loan of \$10,000,000. Out of the total \$22,000,000 due Mexico, \$7,500,000 would be withheld by the United States, \$3,000,000 to satisfy American claims against Mexico and the remaining \$4,500,000 to cover Mexico's English convention debt which would now be assumed by the United States. Of the remaining \$13,000,000 Mexico would receive \$4,500,000 immediately upon ratification of treaties and the remaining \$8,500,000 would follow in monthly installments of \$500,000.¹¹¹

To encourage the United States to advance the loan a novel method of repayment was proposed.¹¹² The loan of \$10,000,000 with interest at 5% would be repaid by a reduction or rebate of 15% in the duties charged at maritime ports on all imported American goods and on third country products imported from American ports in American bottoms. The rebate would continue until it equalled the amount of the loan plus interest. This would give American shipping and commerce an advantage and when combined with the provision for paying off the English Convention debt would mark a sharp decline in the degree to which Mexico was subject to British influence.

The postal treaty touched on a matter that had been the subject of complaint for years, the lack of regular steamer service between Mexican and American ports. In 1853 the United States Post Office began paying \$69,000 annually for a packet service from New Orleans to Veracruz. In

addition to mail the packet brought freight, chiefly raw cotton, from New Orleans and provided passenger service in both directions.¹¹³ The packet service proved to be undependable, suspending service occasionally for months, and was criticized in the Mexican press for failing to serve Mexico's maritime needs.¹¹⁴ Early in 1856 a proposal by Francisco Reibaud, a Mexican naval officer, to establish a service using surplus Mexican war steamers received warm support from the liberal press.¹¹⁵ The line could employ surplus Mexican naval officers, train young Mexicans as machinists, and grant special fares for immigrants.

Butterfield may have been influenced by press reaction to Reibaud's proposal, for in the spring of 1856 he began negotiating on a proposal containing many of the same features. By May his proposal, combined with a postal treaty, had been approved by the treasury and forwarded to foreign affairs. In July the press in Mexico and New Orleans learned of the negotiations and endorsed the project.¹¹⁶ In August the negotiations were completed and the treaties were ready for signature when the death of the Mexican foreign minister and news of Gadsden's impending replacement caused action to be suspended.¹¹⁷ In September rumors spread that the existing bimonthly service would be discontinued as unprofitable. Since such service was considered essential to the Mexican economy, the press demanded that the government protect and subsidize it.¹¹⁸ When in January 1857 Forsyth opened negotiations, Mexico submitted for his consideration

a modified version of agreement drawn up for Gadsden's signature.¹¹⁹

The Mexican proposal called for each government to subsidize a steamer line providing weekly service to American and Mexican ports on the Gulf, with \$75,000 annually. Half the ships would be under Mexican flag, half under American. Half of each crew were to be Mexican, and all ships and crews were to be treated as nationals in both countries. Advantageous rates were to be established for the Mexican government. In apparently contradictory articles it was first proposed that all steamers used by the line be suitable for fitting out as warships and then that the service not be interrupted during war, even war between the signatory countries.

From Forsyth's position the most attractive features of treaties were those commercial advantages to repay the loan and the frontier reciprocity agreement. The reciprocity proposal, as originally submitted by Forsyth on January 24th, allowed free movement across the common land frontier of a comprehensive list of goods produced in either country. This appears to have been Forsyth's pet project, for he concentrated most of his attention on it, attempting to make the list of goods as comprehensive as possible and to secure a treaty of indefinite duration.¹²⁰

After each side had presented its proposals on January 21 and 24, negotiation proceeded rapidly to agreement on February 10, but not without differences and occasional threats of collapse as each side sought to maximize its advantages.

Instead of 5% interest on the loan Forsyth wanted 6% and, while he suggested a larger amount for the loan (\$13,000,000 initially), he felt that at least half the loan must be repaid in traditional sense. He proposed that repayment be guaranteed by a mortgage on 20% of all Mexican customs revenues. He requested that the rebate covering the remainder of the loan not be limited to American goods or to foreign goods coming from American ports in American ships but that it be extended to include all American commerce--all imports and exports carried in American ships regardless of nationality or port of origin. He also sought to increase the rebate to 20-25%. He also requested that new commercial and an extradition treaties be signed.¹²¹

Mexico agreed to increase the amount of the loan but not the price she would have to pay for it. Commercial and extradition treaties were acceptable as was an extension of the rebates to all goods imported or exported in American ships. Mexico felt the rebates should be held to a 15% level but expanded further to include Mexican commerce with the United States carried by Mexican flag vessels. The broad sweep of American interests to be served warranted, in Mexican eyes, the reduction of the interest rate to 4%. Other minor difficulties troubled the progress of negotiations--should the subsidized mail steamers be allowed to engage in Mexican coastal trade, if not, should its subsidy be larger, the specific wordage of the loan treaty, should Mexico receive an advance on the loan before the treaties

were ratified, should all the treaties be made interdependent-- without seriously endangering the success of the overall project.¹²²

Differences on two key issues, however, threatened to prevent the signature of any agreements. Mexico insisted that any claims settlement must recognize American responsibility for damages resulting from Indian raids across the frontier since 1848. Forsyth found such responsibility distasteful. On the other hand, Mexico found Forsyth's insistence a broadly defined agreement for reciprocal free trade along the frontier equally difficult to accept. Realizing that the frontier's ties with the Mexican core region were tenuous and sympathy for American annexation widespread, Mexico was reluctant to sanction such close ties across the frontier. These points were discussed at a conference of the negotiators and Comonfort on February 1. The conference appeared to produce compromises on the issues and Forsyth confidently began preparing treaties to be signed on February 3. He even drafted a covering despatch for them before he discovered there had not been a meeting of minds at the conference.¹²³

An additional week was required to resolve the differences. Mexico still refused to give up the Indian damage claims or to remove all barriers to American trade across the northern frontier, while Forsyth refused to sign treaties which specifically made the United States responsible for Indian damages or failed to give substance to

frontier reciprocity. The Mexico City press, which had carried rumors of the negotiations, apparently failed to get word of the last minute hitch and announced in approbative terms that the treaties had been signed and dispatched to Washington on February 3.¹²⁴ This may have been an attempt, however, to pressure Forsyth since the press version of the treaties conformed to the Mexican position. Within a few days, however, the error was acknowledged and the differences were reported in a manner favorable to Mexico.¹²⁵ The issues were finally compromised by a provision which avoided fixing responsibility for the Indian depredations but allowed for the claims growing out of these to be settled and another promising that Mexico would agree to add a significant number of items to the free list for frontier trade after a study of frontier commerce had been completed. These compromises allowed the treaties to be signed on February 10, 1857 and dispatched to Washington.¹²⁶

The loan treaty, entitled "Treaty of loan and anticipation of duties" provided for a loan of \$15,000,000. Seven million were to be retained by the United States, \$3 million for American claims and \$4 million for the English Convention debt which would be assumed by the United States. The remaining \$8 million were to be made available to Mexico immediately upon ratification of the treaty. The \$7 million retained for claims and the English convention would constitute a conventional loan bearing 4% interest. Repayment, which would begin at end of third year, would be covered by an

assignment of 13% of all import duties collected by Mexican customs. The remaining \$8 million with 4% interest were to be repaid by 20% rebates on duties on American goods or foreign goods, except European cotton fabrics, imported directly from the United States in American or Mexican bottoms and on exports made directly to American ports in either American or Mexican ships. When these rebates equalled the amount of the loan plus interest the loan would be considered liquidated and the rebates would be discontinued.¹²⁸ Forsyth's efforts to raise the rebate to 25%, to have it apply to all commerce conducted in American ships, and to have rebates continued for 20 years irrespective of amounts involved had been successfully resisted.¹²⁹

The frontier reciprocity treaty and the claims convention involved major compromises on both sides. The list of free items was not as extensive as desired by Forsyth, but it did include such important items as foodstuffs and machinery for agriculture and mining. The four year limit was less than Forsyth desired but more than Mexico preferred. A special article listing goods free of duty only when exported from Mexico to the United States was a concession to Mexico while a provision promising to negotiate in the near future for a more extensive free list raised the possibility of complete free trade along the frontier. Forsyth was also encouraged by an article committing Mexico to renew or renegotiate the commercial treaty of 1831.¹³⁰ In the claims convention the compromise created a claims commission authorized to accept

all claims regardless to origin (thus including Indian damage claims without naming them) and then providing that if the United States denied the validity of Indian deprecation claims the matter would be submitted to arbitration by the French emperor.¹³¹

The postal treaty and the general convention were the least difficult to negotiate. The general convention making all the treaties interdependent was accepted because each party was fearful that without such a provision its favorite agreements would be rejected by the other. The purpose of the postal treaty was defined to include the "stimulation of mutual commerce." It provided for a mixed flag-line under contract to provide weekly service. Half the flags and half the crews were to be Mexican and each country would provide a annual subsidy of \$120,000. In addition to setting up procedures for the free flow of mail, the treaty guaranteed half fares for official Mexican use of the steamers and required the contractor to support two Mexican apprentice machinists on each of its vessels. Over the objections of Forsyth and Butterfield, who held a steamer contract dependent on the treaty, the steamers were forbidden to engage in coastal shipping between Mexican ports. The earlier provision for the line to continue operation during wartime was dropped.¹³²

Despite the compromises, Forsyth enthusiastically supported the treaties, especially those covering loan, reciprocity, and postal questions. He justified them on

both economic and political grounds. Economically the American share of Mexico's foreign trade would increase from some \$4.5 million annually to over \$40 million. The rebate on Mexican imports would, Forsyth asserted, "have the effect of more than doubling our commerce with Mexico, of turning the bulk of the European trade with this country, through the U. S., and in bottoms of the U. S., and in enabling our manufacturers of cotton fabrics at least to compete with those of G. Britain, for a period of several years to come, instead of being, as now, absolutely excluded from the Mexican markets."¹³³

Forsyth sought to show that the economic interests of various American groups would be served by the treaties. The American shipping would obviously benefit from the rebates, while the Southern desire for direct commerce would be served by the steamer service. Merchants engaged in re-export trade would benefit from both agreements. Eastern manufacturers, commerce houses, and financiers would profit from the increased trade. Reciprocity would serve Southern and Western interests. The greater volume of trade would produce a marked increase in American customs revenue.

The treaties were also justifiable in political terms. Forsyth felt that British domination of Mexican foreign trade and control of her foreign debt gave Britain a dominant voice in Mexican political councils. Paying off the debt and diverting the trade into American channels would undermine this influence.¹³⁴ At a later date Forsyth, in

opposition to Buchanan's policy of territorial expansion, argued that the treaties would have served "to sustain Mexico and keep her from falling to pieces, perhaps into the hands of Foreign Powers, until such time as we were ready to 'Americanize' her."¹³⁵ Given the proximity of the United States to Mexico and the American political and economic influence which would result from treaties, Forsyth believed that Mexico would become increasingly American and in the future Mexico would voluntarily seek union. The United States could then decide whether to grant the boon of annexation or to retain the existing advantageous relationship.¹³⁶

The Mexican reaction to the treaties as evidenced in the press was quick and positive. In late 1856 when Forsyth's conversations with Lerdo had led to public speculation about an American protectorate, El heraldo charged that the conservatives were creating rumors to discredit the liberal government.¹⁷ When the press learned of the negotiations between Montes and Forsyth, El heraldo and the other liberal newspapers avoided mentioning the possibility of a protectorate.¹³⁸

Despite efforts at secrecy, journalists obtained fairly accurate knowledge of the final treaties within a few days and the liberal press warmly supported them. While recognizing that American commerce would benefit from the treaties, editors lauded the government for having obtained a loan without staining the nation's honor or endangering its territorial integrity. They saw the loan as essential for the

survival of the reform program. Since the claims convention eliminated the one problem that had marred relations with the United States the press hoped soon to see closer political and economic ties between the countries. Without being explicit the liberal editorialists suggested that the loan would make Mexico strong internally and American friendship could protect her from European threats.¹³⁹

The press was so convinced of the unusual mutual benefits provided by the treaties that their ratification was taken for granted. When the first rumors began to appear in Mexico that the United States would not ratify the treaties, these were denounced as conservative efforts to dishearten the government and to spread panic among the populace.¹⁴⁰ When the rumors were confirmed, the reaction was one of disbelief. One correspondent found it impossible "to believe that the American government rejected so stupidly the great advantages she could have gained."¹⁴¹

Leading liberals, both in and out of the government, had been encouraged by the signing of the treaties. The French minister reported that the liberals expected these treaties to rescue them from disaster and resolve all their difficulties.¹⁴² The cabinet and leading editors had endorsed it without reservation. Benito Juárez, who was serving as governor of Oaxaca, on being informed of the agreements by Matías Romero, responded with a hope for speedy ratification so that the necessary aid would not be delayed.¹⁴³ On March 3 in a official manifesto to the nation reporting

on and justifying the government's action in all areas, the treaties were reported, individually analyzed, and justified.¹⁴⁴

The manifesto declared:

If the referenced convention and treaties are ratified, the government will have the satisfaction of having consummated an agreement, which without ceding a foot [palmo] of national territory, without consenting to anything indecorous or humiliating for the country, and, finally, without prejudicing in the least our agriculture and industry, will give the Republic the great advantages of relieving it of two large and pressing debts [American claims and English convention], of improving the situation along the frontier, of giving new impulse and development to foreign commerce, of facilitating communications with foreign countries, and of putting into the government hands considerable resources which will serve, not only to rescue it from the critical and painful position in which it has found itself for so long, but also to put it in position to form a well conceived treasury plan.

The government's commitment to the treaties was reflected in the steps it took to insure their early ratification. Carlos Butterfield, who had a clear interest in them, was commissioned to accompany the treaties to Washington with special instructions for the Mexican legation. The Mexican naval steamer Guerrero was ordered to transport Butterfield and the treaties from Veracruz to New Orleans and to await word of ratification.¹⁴⁵ Butterfield was also authorized to work for the ratification of the treaties, coordinating his efforts with those of the Mexican minister, Manuel Robles Pezuela.¹⁴⁶ Robles was authorized to give final signature to Butterfield's steamship contract once ratification had occurred.¹⁴⁷

Robles needed no encouragement to support the treaties; he had long been convinced of the importance of a settlement

with the United States. Pierce, in his last annual message to congress, had made the numerous unsettled claims the basis for his comments on relations with Mexico.¹⁴⁸ This statement plus the election of Buchanan, who was identified with a policy of territorial expansion, had provoked a rash of newspaper articles advocating that force be used to collect claims. Editorials proposing that the United States seize Mexico's frontier states as security for the claims frightened Robles. He proposed that steps be taken to settle all points of friction before Buchanan took office. He endorsed a project advanced in an American newspaper for an American firm to manage Mexican finances and economy under contract.¹⁴⁹

The treaties and special instructions, delivered by Butterfield on February 24, ¹⁵⁰ reassured Robles that his government was alert to the dangers. He was informed that the treaties would remove all dangers and "demonstrate forever Mexico's willingness to attend the demands of American citizens." Their importance sprang not only from the settlement with the United States but also from their weakening of the British position. The loan would provide money to stabilize the government and to finance an effective reform policy. By developing closer commercial ties with the United States, the treaties would demonstrate that Mexico's economic survival did not depend on Europe. Europeans would now see that more equitable and friendly policies were necessary to protect their commercial and political interests.¹⁵¹

Robles was given unlimited authority to marshal forces in support of ratification. English bondholders, American merchants with trading interests in Mexico, banking firms, persons interested in Butterfield's steamship venture or in the Tehuantepec transit route, and even individuals with private claims against Mexico were to be utilized. The importance of favorable newspaper coverage for the treaties was stressed. To carry out these activities the foreign ministry authorized Robles to make unlimited expenditures.¹⁵² Fearful that the Americans might make changes in the treaties, Mexico directed Robles to accept any changes which did not infringe on Mexican sovereignty or seriously reduce the loan.¹⁵³

The American elements favorable to the treaties seemed impressive. While the negotiations were still going on in Mexico, Plumb and Butterfield had been busy lining up the support of friends in the United States.¹⁵⁴ The New York Herald carried accounts of the negotiations and frankly endorsed the treaties as a means of converting Mexico into an American protectorate.¹⁵⁵ Robles reported that the only open opposition came from the groups involved in the Tehuantepec grants who feared that a claims settlement would damage their position. He hoped to win them over.¹⁵⁶

When the treaties arrived Robles began daily meetings with Marcy urging immediate submission of the treaties to the senate. Robles found Marcy friendly toward the agreements but unwilling to submit them. Robles' efforts to make

a special plea to Pierce and to deliver a personal letter from Comonfort were unsuccessful. Unable to reach the president, Robles concentrated his efforts on Marcy to no avail. Marcy informed Robles that he feared the loan treaty and provisions for subsidizing a steamship line were unconstitutional and that there would be opposition to arbitrating the Indian claims. Marcy pointed to the shortness of time before the end of Pierce's term of office as the major obstacle.¹⁵⁷

Marcy waited until March 3 to inform Forsyth that Pierce had some mild objections to the treaties, especially the novel loan treaty, and had decided to suspend action, leaving the matter pending for his successor.¹⁵⁸ Robles believed the treaties would have been approved by the senate if there had been more time. Marcy indicated that relations were so strained between Buchanan and Pierce that for Pierce to submit the treaties would insure efforts by the former to defeat them. Thus, Marcy felt, the best policy was to express objections to the treaties but leave them available for Buchanan to submit. After the inauguration, Pierce claimed that only the shortness of time had prevented him from submitting the treaties and that the prospects for approval had been good. Pierce explained that he had avoided Robles during his last days in office not because of opposition to the treaties but rather to prevent the delivery of the letter from Comonfort. Pierce maintained that presidents could not receive confidential letters from other governments.¹⁵⁹

Despite the efforts of Robles and Butterfield,

Buchanan's inauguration sealed the fate of the treaties.

Buchanan and his secretary of state, Lewis Cass, rejected the treaties and directed Forsyth to inform the Mexican government of this decision.¹⁶⁰ Robles felt it was fortunate that the new administration agreed to leave Forsyth at his post rather than replace him with someone more acceptable to Buchanan.¹⁶¹ The administration latter explained its position on the treaties as follows:

In the four treaties which you negotiated last winter, and which were all dependent upon each other, provision was made for a generous loan of money to Mexico, without any other equivalent than was to be found in certain commercial arrangements of which, in this way, the United States were to become practically the purchasers. If these arrangements had been far more valuable than they really were, it would still have been a dangerous departure from our established policy to have given for them a pecuniary equivalent. A treaty of commerce . . . should rest upon the basis of reciprocity . . . [otherwise] the nations of the earth should go about bidding against each other for the monopoly of commerce . . . and the longest purse would buy the richest market. Such a doctrine . . . can meet no favor in a republic like ours--whose interests demand the most liberal competition and the freest trade.¹⁶²

No commercial advantage warranted the expenditure of money in the eyes of Buchanan; only land could justify such an expenditure.¹⁶³

Despite their cavalier treatment in Washington, the treaties had for a moment aroused passionate hopes and fears in Mexico. While Mexican liberals had seen the treaties as the key to a bright future, British and French ministers in Mexico had found in them grave threats to their nations' interests. The British minister and the local representative

of the English bondholders feared that the result would be the loss of security for English investments in Mexico. Her English creditors felt that Mexico and all her revenues were already mortgaged to cover existing obligations. They urged the foreign office to prevent any agreement affecting these securities. The loan agreement, they felt, would dilute responsibility for Mexican indebtedness by dividing it between Mexico and the United States.¹⁶⁴

The French minister was more upset with less apparent reason. Already convinced that the ultimate objective of the United States was to destroy world civilization by replacing stable monarchies with anarchic and demagogic republics, Gabriac saw every American move as an attack on France, guardian of world order.¹⁶⁵ He was equally certain that the liberals and puros were willing tools of American policy.¹⁶⁶ To prevent the United States from gaining monopoly power over the commerce of the western hemisphere the French minister sought a means, short of war, to stop American expansion. This could only be accomplished, he felt, by assisting Mexican conservatives to establish a strong European-oriented monarchy. With French support such a government would be able to resist American pressure, protect Central and South American, and open new fields for European commerce.¹⁶⁷

The arrival of Forsyth in October expressing a policy of moderation and understanding only increased French apprehension. Gabriac was sure that Yankee flattery would undermine whatever puro resistance there might be to American

expansion. He feared that the United States, using the bait of an alliance, would encourage Mexico to become involved in a war with England or Spain, a war sure to terminate in American acquisition of Cuba and Mexico. Rumors of Lerdo's desire for a protectorate confirmed Gabriac's fears and he saw Lerdo's assuming charge of the foreign ministry as a prelude to the disappearance of independent Mexico.¹⁶⁸

News of the impending signature of treaties caused Gabriac to warn again of the economic dangers of the American policy of expansion.¹⁶⁹

The absorption of Mexico by the United States [he wrote] will have as a necessary consequence, not only the loss of the Mexican market for manufactured products from France and England, but also the loss of the market of the United States for these same products. The reason is very simple and natural: from the moment of absorption, the production of precious metals in Mexico will increase five-fold at least, that is to more than a hundred million pesos, since presently nine of every ten mines are abandoned for lack of capital, labor, security, and roads. With the aid of a differential tariff against Europe in this new territory, the industry of the United States, which will receive as pay the precious metals of Mexico, will increase [while] the rapid increase of population [in Mexico] will provide a sure outlet for all the new products, formerly a monopoly of Europe. Because of the high cost of labor, which always results from the increased production of specie, Mexico will never succeed in creating an industry capable of competing with the United States and [Mexico] will send [to the United States] her iron, copper, wood, sugar, coffee, indigo, tallow, hemp, skins, oils, even silks, since nowhere else can sericulture find so favorable a setting. These primary materials will return to Mexico in the form of finished products. Thus to allow the United States to realize its plans with respect to Mexico is to expose oneself to a grave risk. Europe would lose, in one stroke, two important markets and the commercial crisis, which it may be hoped can be avoid by an acquiescent attitude or

by awaiting internal developments in the United States, will be more complete and more profound. Nothing will be able to destroy this giant, more frightening for the power of its material position than for purely political interests.¹⁷⁰

The loan treaty, Gabriac maintained, was the death blow to the commercial strength and political influence of France and Great Britain in Mexico. Mexico had sold herself for \$8,000,000.¹⁷¹ The United States was now becoming the hemispheric banker, a position that would allow for foreclose at her leisure.¹⁷²

Mexico was aware of British and French opposition to the treaties signed with Forsyth. Mexican ministers in London and Paris were instructed to counter this opposition. The French objections were considered less serious. In Paris the minister was to stress that the treaties would not damage French trade since American and French exports were noncompetitive. Care was to be taken to prevent the British from stirring up French opposition.¹⁷³

A different line was to be pursued in London. Here the position was taken that the Forsyth treaties did not violate the treaty rights of any other power and that the loan would benefit Mexico's English creditors. A rather stiff attitude was in order: how and where Mexico secured loans and how she repaid these was of no concern to Great Britain. The custom rebates were to be interpreted as an assignment of customs revenues to the United States. Since such assignments existed to pay off English creditors, London could not object to this procedure. What the United States chose to do with

this assignment was of no concern to Mexico or Great Britain. The Mexican minister was to emphasize that British economic interest in Mexico could best be served by a British policy of justice and friendship.¹⁷⁴

How the British and French governments might have reacted to the ratification is an interesting point of speculation, but if their reaction had been consistent with what is known of their attitude toward the signing of the treaties then there would have been no European challenge to the development of American economic protectorate in Mexico. London warned both the bondholders association and the British legation in Mexico that Mexican debts did not mortgage her sovereignty and that Britain would not interfere in the affairs of the United States--refunding of the Mexican customs assignment was an internal American question.¹⁷⁵ This elicited from the bondholders representative the observation that perhaps his clients should begin looking to the United States for their security since Mexico was rapidly falling under American control.¹⁷⁶

After months of dire warnings about the future of Mexico, the French reaction to Forsyth treaties seemed to be one of resignation. Gabriac's efforts to rally the large French community in Mexico produced, what was for him, sobering results. He found Frenchmen unmoved at the prospects of having to secure most of their imports from the United States. He reported that many were pleased since American goods were of better quality and would now be cheaper than

similar French products.¹⁷⁷ It is interesting to note in this regard that, according to the American consul at Veracruz, Frenchmen were dominant in the wholesale trade, buying from importers and selling to retailers.¹⁷⁸ French merchants apparently had a better eye for a bargain than they did for the grand civilizing mission of their homeland. Needless to say, the rejection of the treaties by both Pierce and Buchanan left Gabriac pleased but puzzled.¹⁷⁹

The rejection of the treaties may have saved Mexico, as Gabriac believed, from becoming a subservient part of an expanding American economy. The combination of factors at this point were favorable to such an expansion. In Mexico the government, controlled by liberals whose political and economic ideas caused them to look with favor on the United States, pursued a policy of moving closer to the United States. Private American investors, speculators, and entrepreneurs received generous treatment. Tariff measures, definition of foreign rights, efforts to encourage immigration were all framed with American interests in mind. Continuing conservative revolts and financial distress threatened the survival of the reform program as well as the government. Internal difficulties served as a pretext for menacing actions by European powers. Under these conditions, American money and power would have been welcomed by the liberals. Money was necessary to crush the revolts, to establish a stable government, and to finance major economic development; while the power of the United States or at least the protective

shadow of that power, was needed to protect Mexico and to give her extra bargaining power when dealing with Europe. The Comonfort government was obviously attracted to the loan treaty not just by the money it made available but also by the fact that it interposed American power, political and economic, between Mexico and Europe. It would increase American economic involvement in Mexico and create an American desire to preserve Mexican political independence from European threats. The treaty would give Mexico an alternative to economic dependence on Europe.

These attitudes in Mexico coincided with favorable conditions in the United States. The Pierce administration was openly dedicated to a policy of commercial expansion. Various elements, particularly in the South, were beginning to express an interest in commercial expansion into Latin America. Both the American ministers to liberal Mexico, Gadsden and Forsyth, were involved in Southern efforts at commercial expansion and both expressed opposition to territorial expansion into Mexico on racial grounds. Forsyth had ideas about the nature and functioning of economic relations which today would be labelled as economic imperialism.

These circumstances resulted in the elaboration and signature of treaties which, without mentioning protectorate, would have gone far toward reducing Mexico to an economic appendage of the United States. The nature of the relationship which would have resulted seems to have been recognized

and accepted by Great Britain, whose favorable trade relations with the United States prevented any excessive alarm over the prospects of an expanded realm for American influence. France appeared to exaggerate the negative economic impact of the treaties on French interest but was unwilling to stand alone to block the American move. The French reaction, while expressed most forcefully in economic terms, appeared to have been motivated more by noneconomic factors. France saw and feared the economic consequences of the expansion of American power because of its presumed effect on the future of monarchy, Latin civilization, and the world leadership position of the Second Empire.

The failure of the treaties was related to the change of administrations in Washington. With ample time the Pierce administration doubtlessly would have attempted to secure ratification of at least a modified version of the treaties. With only eight days remaining to it when the treaties reached Washington, the Pierce administration could do little. The incoming Buchanan administration gave scant attention to the treaties; they represented an initiative of the previous administration and made no direct contribution to the Buchanan policy of territorial expansion. Economic imperialism was still an idea whose time had not come, at least not in Washington.

NOTES

- 1 Callcott, Church and State, pp. 238-240 and 248-256.
- 2 Callcott, Church and State, p. 241.
- 3 Callcott, Church and State, pp. 267-268.
- 4 Lerdo, Comercio exterior, pp. 58-63; Butterfield, Steamship Line, app., p. 20; and Forsyth to Marcy, Feb. 2, 1857, NA/DD.
- 5 Gabriac to Paris, Feb. 1, 1856, in Díaz, Versión francesa, 1:250-251.
- 6 Congressional consideration of the question with supporting documents is found in Zarco, Congreso constituyente, pp. 1296-1342. French comments are in Díaz, Versión francesa, 1:passim. The question is treated briefly in Roeder, Juarez, 1:140, and Callcott, Church and State, p. 243.
- 7 Callcott, Church and State, pp. 245-246.
- 8 Gabriac to Paris, Oct. 12, 1856, in Díaz, Versión francesa, 1:345-347.
- 9 Gabriac to Paris, Mar. 31, 1857, in Díaz, Versión francesa, 1:408-412. Accounts are also found in El heraldo (Mexico City).
- 10 Zarco, Congreso constituyente, pp. 801-808.
- 11 Gabriac to Paris, Dec. 29, 1855, in Díaz, Versión francesa, 1:242-380 passim.
- 12 Tomás Murphy to French foreign ministry, Mar. 31, 1856, in Díaz, Versión francesa, 1:261-264.
- 13 Unsigned and undated endorsement to a "Project for the regeneration of Mexico" presented in Paris by A. de Radepont, Oct. 4, 1856, in Díaz, Versión francesa, 1:328-329 and the project, pp. 329-342.
- 14 Gabriac to Paris, Nov. 1, 1856, in Díaz, Versión francesa, 1:359-361.

15 Butterfield, Steamship Line, p. 71, and Francisco López Cámara, La estructura económica y social de México en la época de la reforma (Mexico City: Siglo Veintiuno Editores, 1967), pp. 171-172.

16 Zarco, Congreso constituyente, pp. 1296-1342.

17 Zarco, Congreso constituyente, passim. The economic thought of the congress is analyzed by Manuel Loza Macías, El pensamiento económico y la constitución de 1857 (Mexico City: Editorial Jus, 1959).

18 Zarco, Congreso constituyente, pp. 1359. Comonfort's suspension of the constitution provoked civil war prior to this date with the result that the abolition of alcabalas was postponed indefinitely.

19 Zarco, Congreso constituyente, p. 1348.

20 Zarco, Congreso constituyente, pp. 699-794.

21 Zarco, Congreso constituyente, pp. 789-790.

22 Zarco, Congreso constituyente, pp. 1349.

23 Zarco, Congreso constituyente, pp. 1348-1349.

24 For example, see discussion of article 32, Zarco, Congreso constituyente, pp. 790-793.

25 Loza Macías, Pensamiento económico, pp. 234-235.

26 Commented on by John S. Cripps, secretary of legation, to Marcy, June 5, 1856, NA/DD.

27 For copy of Ley Lerdo see Zarco, Congreso constituyente, pp. 423-427.

28 Zarco, Congreso constituyente, p. 427.

29 México, Ministerio de Hacienda, Memoria presentada al exmo. Sr. presidente sustituto de la República por el C. Miguel Lerdo de Tejada, dando cuenta de la marcha que han seguido los negocios de la hacienda pública, en el tiempo que tuvo á su cargo la secretaría de este ramo (Mexico City: Imprenta de Vicente García Torres, 1857), pp. 7-8.

30 Best treatment of the sale of church property is Jan Bazant, Alienation of Church Wealth in Mexico: Social and Economic Aspects of the Liberal Revolution, 1856-1875, ed. and trans. by Michael P. Costeloe (Cambridge: University Press, 1971).

- 31 Hacienda, Memoria (1857), pp. 266-286.
- 32 Bazant, Church Wealth, p. 233.
- 33 Diccionario Porrúa, 1:875.
- 34 Zarco, Congreso constituyente, p. 34.
- 35 Zarco, Congreso constituyente, passim.
- 36 El heraldo (Mexico City) published the new tariff Feb. 1-3, 1856.
- 37 El heraldo (Mexico City), Feb. 19, 1856.
- 38 Pickett to Marcy, Feb. 21, 1856, NA/CD/VC.
- 39 Pickett to Marcy, Mar. 21, 1856, NA/CD/VC.
- 40 El heraldo (Mexico City), Nov. 30, 1855.
- 41 Dublán and Lozano, Legislación, 8:95. As noted earlier both of these reforms, ending registration of foreigners and broader property rights for foreigners, were later incorporated into the constitution.
- 42 El siglo XIX (Mexico City), Mar. 5, 1856.
- 43 Although Napheghy is identified as a "doctor . . . and perhaps a refugee from the 1848 Hungarian revolution" by Bazant, Church Wealth, p. 233, he was always treated as a foreign businessman in contemporary press accounts. El heraldo (Mexico City), Sept. 10, 1856, referred to him as an American and the French minister reported that Napheghy was associated with New York banking interests, in Díaz, Versión francesa, 1:439.
- 44 El heraldo (Mexico City), June 19 and 25, 1856.
- 45 Dublán and Lozano, Legislación, 8:219-223.
- 46 English edition The Other Side: or Notes for the History of the War Between Mexico and the United States (New York: J. Wiley, 1850).
- 47 Dublán and Lozano, Legislación, 8:225-226.
- 48 "Cartas de seguridad" tomo 150, legajo 30, AGN.
- 49 Juárez, Documentos, 3:174-175.
- 50 H/352(72:73)19, ASRE.

51 México, Ministerio de Fomento, Colonización, Industria y Comercio, Memoria de la secretaría de estado y del despacho de fomento, colonización, industria y comercio de la República mexicana, escrita por el ministro del ramo, C. Manuel Siliceo, para dar cuenta con ella al soberano congreso constitucional (Mexico City: Imprenta de Vicente García Torres, 1857), p. 21.

52 El heraldo (Mexico City), Dec. 30, 1855, and Feb. 9, 1856.

53 El heraldo (Mexico City), Feb. 9, 1856.

54 Dublán and Lozano, Legislación, 8:95-97.

55 Folder 17, CP, GC/UT.

56 Hernández Rodríguez, Comonfort, p. 58. While the only verifiable loan from Temple and Ajuria was for \$60,000, it is possible there were other loans totalling at least \$200,000, see Hernández Rodríguez, Comonfort, p. 50.

57 Hernández Rodríguez, Comonfort, p. 50, and folder 15, CP, GC/UT.

58 Hacienda, Memoria (1857), p. 6. El heraldo (Mexico City), Sept. 24, 1856, reported the loan as \$180,000. The leaseholder, Temple, made no mention of this loan in his "Memoria justificativa."

59 Temple, "Memoria justificativa," pp. 9-12. This lease underwent many changes over the next few years and became the subject of claims against Mexico. The more significant aspects of this will be dealt with in subsequent chapters.

60 Gabriac to Paris, Dec. 10, 1856, in Díaz, Versión francesa, 1:376-379.

61 Alvin Duckett, John Forsyth, Political Tactician (Athens: University of Georgia Press, 1962) and Eugene I. McCormac, "John Forsyth," in vol. 8, The American Secretaries of State and Their Diplomacy, ed. Samuel Flagg Bemis (New York: Pageant Book Company, 1958) deal with the senior Forsyth. The Cincinnati convention was covered by The New York Times, June 3-7, 1856.

62 Petition, Apr. 22, 1854, "Applications and Recommendations, Franklin Pierce and James Buchanan," NA.

63 Robles Pezuela to Marcy, May 9, 1856, NA/DN/Mex.

64 Petition, Apr. 22, 1854, "Applications and Recommendations, Franklin Pierce and James Buchanan," NA.

65 Francis B. Heitman, Historical Register and Dictionary of the United States Army, from Its Organization, September 29, 1789, to March 2, 1903. 2 vols. (Washington: Government Printing Office, 1903), 2:52.

66 Marcy to Forsyth, Aug. 4, 1856, NA/DI.

67 Robles Pezuela to MRE, July 22, 1856, H/323(73:73) /109, ASRE.

68 Marcy to Forsyth, Aug. 16, 1856, NA/DI.

69 H/350(72:73)1, ASRE.

70 Marcy to Forsyth, Mar. 3, 1857, NA/DI.

71 Forsyth to Marcy, Feb. 2 and 10, 1857, and Forsyth to Cass, Feb. 18, 1858, NA/DD.

72 See Forsyth's editorials in the Mobile Register, especially that of Sept. 30, 1856, and in DeBow's Commercial Review of the South and West, especially that in 17(1854), 363-378.

73 Lerdo, Comercio exterior. Forsyth submitted Lerdo's figures to Washington as the results of his own study of Mexico's foreign trade, Forsyth to Marcy, Feb. 2, 1857, NA/DD.

74 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

75 Forsyth to Marcy, Nov. 8, 1856, NA/DD and an enclosed letter from Forsyth to Pierce. This letter was not filed with the despatch nor can it be located in the Pierce papers, but its contents were summarized in a later despatch, Forsyth to Lewis Cass, Apr. 4, 1857, NA/DD.

76 Pletcher, "Prospecting Expeditions," p. 24.

77 Pletcher, "Prospecting Expeditions," p. 22.

78 Dublán and Lozano, Legislación, 7:332-334.

79 Knapp, "American Investment," p. 46.

80 Pletcher, "Prospecting Expeditions," pp. 23-25, and El heraldo (Mexico City), Dec. 29, 1856.

81 Butterfield, Steamship Line, pp. 65 and 159.

82 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

83 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

84 Juárez y los Estados Unidos, 5th ed. (Mexico City: Editorial Jus, 1972), p. 58.

85 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

86 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

87 Forsyth to Marcy, Nov. 8, 1856, and enclosed letter to Pierce, NA/DD.

88 Forsyth accepted without question the common nineteenth-century view that Mexico possessed agricultural and mineral resources of inestimable proportions.

89 Forsyth to Marcy, Nov. 8, 1856, NA/DD.

90 [México, Secretaría de Relaciones Exteriores], Funcionarios de la secretaría de relaciones desde el año de 1821 a 1940 (Mexico City: n.p., 1940), 83.

91 Pletcher, "Prospecting Expeditions," pp. 24-25. Plumb was puzzled by the speed with which his requests were handled.

92 Forsyth to Marcy, Nov. 8, 14, 15, and 19, 1856, NA/DD.

93 Antonio de la Fuente to Gadsden, Oct. 22, 1856, vol. 12, DPR/FM, NA.

94 Forsyth to Miguel Lerdo de Tejada, Nov. 19, 1856, enclosed with Forsyth to Marcy, Jan. 1, 1857, NA/DD; and Lerdo to Forsyth, Dec. 1, 1856, in vol. 12, DPR/FM, NA.

95 Forsyth to Lerdo, Dec. 2, 1856 enclosed with Forsyth to Marcy, Jan. 1, 1856, NA/DD.

96 Memorandum of interview, enclosed with Forsyth to Marcy, Dec. 19, 1856, NA/DD. It is interesting to note that while no copy of this memorandum or reference to the meeting was found in the archives of the Mexican foreign ministry, the above cited memorandum was worded so that only slight modifications would have been required to create the impression that its observations and loan proposals were made by Forsyth, not Lerdo.

97 Forsyth to Marcy, Dec. 19, 1856, NA/DD.

98 Fuentes Mares, Juárez, p. 59; Gabriac to Paris, Nov.-Dec. 1856, in Díaz, Versión francesa, 1:359-381; and Forsyth's despatches Nov.-Dec. 1856, NA/DD.

99 Forsyth to Marcy, Nov. 8, 1856, NA/DD; and Fuentes Mares, Juárez, pp. 55-58.

100 Gabriac to Paris, Nov. 11, 1856, in Díaz, Versión francesa, 1:363-365.

101 El heraldo (Mexico City), Dec. 21 and 25, 1856.

102 Mata to Ocampo, Dec. 25, 1856, 8-4-70, AHINAH.

103 Forsyth to Marcy, Jan. 1, 1857, NA/DD.

104 Mata to Ocampo, Jan. 4, 1857, 8-4-71, AHINAH, and Forsyth to Marcy, Jan. 15, 1857, NA/DD.

105 Mata to Ocampo, Jan. 4, 1857, 8-4-71, AHINAH, and Forsyth to Marcy, Jan. 15, 1857, NA/DD.

106 Ezequiel Montes to Forsyth, Jan. 8, 1856, vol. 12, DPR/FM, NA.

107 Forsyth to Marcy, Feb. 2, 1857, NA/DD.

108 III/350(72:73)/1, folio 272, ASRE.

109 Forsyth to Marcy, Jan. 30, 1857; and Feb. 2 and 10, 1857, NA/DD.

110 Copies of agreements enclosed with Forsyth to Marcy, Feb. 10, 1857, NA/DD.

111 "Bases p[ar]a un arreglo definitivo entre México y los Estados Unidos," Jan. 22, 1857, III/350(72:73)/1, folio 272, p. 62, ASRE.

112 The origin of this repayment method is unclear. Its first known mention was in the above cited Mexican document.

113 Pickett to Marcy, Mar. 22, 1854, NA/CD/VC.

114 El heraldo (Mexico City), Feb. 15, 1856.

115 El heraldo (Mexico City), Feb. 15, 1856, and El siglo XIX (Mexico City), Feb. 13, 1856.

116 El Herald (Mexico City), Jul. 17-19, 1856, contained references to endorsements by other newspapers in Mexico City and New Orleans.

117 Butterfield, Steamship Line, pp. 9-9.

118 El heraldo (Mexico City), Sept. 30, 1856, reproducing article from Mexican Extraordinary (Mexico City).

119 Pp. 181-195, folio 272, III/350(72:73)/1, ASRE.

120 Pp. 3, 11-23, and 56-58, folio 272, III/350(72:73)/1, ASRE.

121 Forsyth to Montes, Jan. 24, 1857, pp. 56-58, folio 272, III/350(72:73)/1, ASRE.

122 Exchange of notes, Forsyth and Montes, Jan. 24 and 25, 1857, and related working papers, pp. 32, 56-58, and 65-68, folio 272, III/350(72:73)/1, ASRE.

123 Exchange of notes, Forsyth and Montes, Feb. 1, 2, and 3, 1857, pp. 5-7, 63-65, folio 272, III/350(72:73)/1, ASRE; and Forsyth to Marcy, Feb. 2, 1857, NA/DD.

124 El heraldo (Mexico City), Feb. 5, 1857 and Mexican Extraordinary (Mexico City), Feb. 5, 1857.

125 Trait d'Union (Mexico City), Feb. 6, 1857, and El heraldo (Mexico City), Feb. 8, 1857.

126 Treaties enclosed with Forsyth to Marcy, Feb. 2, 1857, NA/DD.

127 Forsyth had initially referred to it as a "loan and commerce treaty" but the title was changed at the suggestion of Montes to avoid "an embarrassing misinterpretation."

128 Loan treaty, enclosed with Forsyth to Marcy, Feb. 10, 1857, NA/DD.

129 Exchange of notes, Forsyth and Montes, pp. 85-98, folio 272, III/350(72:73)/1, ASRE.

130 Reciprocity treaty, enclosed with Forsyth to Marcy, Feb. 10, 1857, NA/DD; and pp. 13-23, folio 272, III/350(72:73)/1, ASRE.

131 Claims convention, enclosed with Forsyth to Marcy, Feb. 10, 1857, NA/DD; and pp. 65-68 and 91-93, folio 272, III/350(72:73)/1, ASRE.

132 Postal treaty and general convention, enclosed with Forsyth to Marcy, Feb. 10, 1857, NA/DD; and pp. 85-90, folio 272, III/350(72:73)/1, ASRE.

133 Forsyth to Marcy, Feb. 2 and 10, 1857, NA/DD.

134 Forsyth to Marcy, Feb. 2, 1857, NA/DD.

135 Forsyth to Cass, Feb. 18, 1857, NA/DD.

136 Forsyth to Cass, Apr. 4, 1857, NA/DD.

137 Nov. 16, 1856. It is interesting to note that El heraldo's editor, José Godoy, was a partisan of Lerdo in internal politics.

138 El heraldo (Mexico City), Jan. 28 and Feb. 8, 1857; El siglo XIX (Mexico City), Feb. 12, 1857; Trait d'Union (Mexico City), Feb. 8, 1857; and El estandarte nacional (Mexico City), Feb. 7, 1857.

139 Editorials in this vain were carried by El heraldo (Mexico City), Feb. 15 and 21, 1857; El siglo XIX (Mexico City), Feb. 13 and Mar. 5, 1857; and El estandarte nacional (Mexico City), Mar. 4, 1857.

140 El heraldo (Mexico City), Mar. 29, 1857.

141 El heraldo (Mexico City), Apr. 12, 1857.

142 Gabriac to Paris, Feb. 22, 1857, in Díaz, Versión francesa, 1:404-405.

143 Juárez to Matías Romero, Apr. 4, 1857, AMR/CR.

144 Manifesto published in El siglo XIX (Mexico City) Mar. 16, 1857, and El heraldo (Mexico City), Mar. 18-19, 1857.

145 Montes to Robles, Feb. 10 and 11, 1857, pp. 146-147 and 149, folio 272, III/350(72:73)/1, ASRE.

146 William Henry Shaw, General Carlos Butterfield and His Labors in Behalf of International Prosperity on the American Continent (Berryville, Va.: n.p., n.d.), p. 3.

147 Montes to Robles, Feb. 10, 1857, p. 146-147, folio 272, III/350(72:73)/1, ASRE.

148 Richardson, Messages and Papers, 5:414.

149 Robles to MRE, Feb. 15, 19 and 20, 1857, pp. 132-134, 136-139, and 198-199, folio 272, III/350(72:73)/1, ASRE.

150 Robles to MRE, Mar. 11, 1857, pp. 240-242, folio 272, III/350(72:73)/1, ASRE.

151 Montes to Robles, Feb. 10, 1857, pp. 146-147, folio 272, III/350(72:73)/1, ASRE.

152 Montes to Robles, Feb. 10, 1857, pp. 146-147, folio 272, III/350(72:73)/1, ASRE.

153 Montes to Robles, Mar. 20, 1857, p. 200, folio 272, III/350(72:73)/1, ASRE.

154 Pletcher, "Prospecting Expeditions," p. 31, and Shaw, Butterfield, pp. 3-4.

155 Feb. 16 and 17, 1857.

156 Robles to MRE, Mar. 1, 1857, pp. 237-240, folio 272, III/350(72:73)/1, ASRE.

157 Robles to MRE, Mar. 1, 1857, pp. 237-240, folio 272, III/350(72:73)/1, ASRE.

158 Marcy to Forsyth, Mar. 3, 1857, NA/DI.

159 Robles to MRE, Mar. 11 and 16, 1857, pp. 33-34 and 241-248, folio 272, III/350(72:73)/1, ASRE. Robles did not question this lame excuse.

160 Cass to Forsyth, Mar. 11, 1857, NA/DI.

161 Robles to MRE, Mar. 19, 1857, pp. 203-204, folio 272, III/350(72:73)/1, ASRE.

162 Cass to Forsyth, Nov. 17, 1857, NA/DI.

163 Cass to Forsyth, two instructions, Jul. 17, 1857, NA/DI.

164 Lettson to London, Feb. 15, 1857, PRO, Foreign Office, 97/275.

165 As an example of this thinking see Gabriac to Paris, Jul. 1 and 26, 1857, in Díaz, Versión francesa, 1:303-305 and 311-313.

166 Gabriac to Paris, Aug. 29, and Sept. 1, 1856, in Díaz, Versión francesa, 1:318-323.

167 Gabriac to Paris, Sept. 1, 1856, endorsing A. Radepon't's "Project for the regeneration of Mexico," in Díaz, Versión francesa, 1:323 and 328-342.

168 Gabriac to Paris, Oct. 26, Nov. 1, 11, and 19, 1856, in Díaz, Versión francesa, 1:352-354, 359-361, and 363-367.

169 MRE to Mexican minister, Paris, Mar. 3, 1857, pp. 220-221, folio 272, III/350(72:73)/1, ASRE.

170 Gabriac to Paris, Jan. 30, 1857, in Díaz, Versión francesa, 1:384-386.

171 Gabriac to Paris, Feb. 12, 1857, in Díaz, Versión francesa, 1:396-398.

172 Gabriad to Paris, Feb. 22, 1857, in Díaz, Versión francesa, 1:404-405.

173 MRE to Mexican minister, Paris, Mar. 3, 1857, pp. 220-221, folio 272, III/350(72:73)/1, ASRE.

174 MRE to Mexican minister, London, Mar. 3, 1857, pp. 222-225, folio 272, III/350(72:73)/1, ASRE.

175 Clarendon to Lettson, Apr. 3, 1857, PRO, Foreign Office, 97/275.

176 Whitehead, Foreign Bondholders Association, to Clarendon, Apr. 20, 1857, PRO, Foreign Office, 97/275.

177 Gabriad to Paris, Feb. 12, 1857, in Díaz, Versión francesa, 1:396-398.

178 Pickett to Marcy, Mar. 22, 1854, NA/CD/VC.

179 Gabriad to Paris, Mar. 26, 1857, in Díaz, Versión francesa, 1:407-408.

CHAPTER IV BUCHANAN AND TERRITORIAL EXPANSION

The failure of the Forsyth treaties marked a turning point in American policy toward Mexico, while in Mexico their rejection coincided with increased difficulties for the Reforma. Buchanan not only rejected the idea of commercial expansion but was insensitive to the idea that American aid, moral or financial, to Mexico was in the best interest of the United States. Buchanan adopted a clear policy of territorial expansion. Rather than aid Mexico through her difficulties, Buchanan felt that advantage should be taken of these to strike a favorable bargain. Forsyth reluctantly attempted to execute this policy.

In Mexico, the Comonfort government faced a situation of almost constant crisis. Denied the expected financial aid and sympathetic understanding of the United States, it searched desperately to find the means to face the domestic and foreign dangers. The promulgation of the constitution elevating reform policies to constitutional principles produced a new wave of conservative revolts and church defiance. The government's inability to protect foreign lives and property and to satisfy the foreign creditors brought renewed threats of foreign intervention. In the face of these problems, the Comonfort government sought to draw closer to the United States.

Despite this desire for closer relations, Mexico encountered a harsh American policy which demanded territorial dismemberment as the price for its aid. In pursuit of this goal, the United States minister actively encouraged the suspension of the constitution, an action which triggered a fiery civil war, and when presented with a choice between a liberal and a conservative government, he recognized the latter, believing it would be the more likely to agree to territorial cession. When, despite threats of American military occupation of the frontier regions, the conservative regime refused to cede territory, the American minister used the power of his position, including his influence over the American economic interests, to force it into a position where it would have only two alternatives--sell territory or collapse. The failure of this policy led to a partial break in diplomatic relations between the countries.

The policy adopted toward Mexico was closely related to Buchanan--to his past historical experience, to his views of the American domestic crisis and the role that foreign policy could play in that situation, and to the circumstances surrounding his nomination and election to the presidency. The highlight of Buchanan's public career had been his tenure as secretary of state under Polk. Beginning the war with Mexico as a reluctant expansionist, Buchanan sensed the mood of the people and became increasingly enthusiastic for large slices of Mexican territory.¹ In his unsuccessful

bids for the Democratic nomination in 1848 and 1852, Buchanan sought to still agitation on the slavery question by uniting the party behind a program of expansion.² Pierce's endorsement of territorial expansion in his inaugural address reflected Buchanan's influence.³ As Pierce's minister to the Court of St. James, Buchanan negotiated for the British withdrawal from Central America in accordance with the American interpretation of the Clayton-Bulwer treaty.⁴ While at this post, Buchanan made public in the Ostend Manifesto his long-established views on the purchase of Cuba.⁵

Sectionalism, exacerbated by the Kansas-Nebraska Act, made party unity and preservation of the union the key issues in 1856, rather than expansion. But reference to Buchanan's expansionistic views were not absent. The campaign biography of the candidate gave prominence to them. The role of the "Sage of Wheatland" in the Mexican cession was highlighted, as was his continuing interest in the acquisition of Cuba. The party platform adopted at Cincinnati, while focusing mainly on the sectional issue, contained planks looking to a vigorous policy in Latin America to promote the Monroe Doctrine, commercial expansion, control of isthmian transit route, and ascendancy in the Gulf, with the acquisition of Cuba implied.⁶

Buchanan's nomination and subsequent election were heavily indebted to Southern support. Judah P. Benjamin and John Slidell, senators from Louisiana, were key managers of his nomination and did yeoman duty in marshalling the

Southern vote, both traditional Democrat and former Whig, for the Democratic slate. Both played key roles in organizing the new administration and establishing its policies. The result was a Mexican policy designed to realize their dreams of converting New Orleans into a great commercial emporium. Central to these dreams were plans for constructing railroads across the Tehuantepec Isthmus and across northern Mexico to the Gulf of California. Such a policy was particularly attractive to Benjamin who had a financial interest in and served as attorney for the Louisiana Tehuantepec Company. It also conformed to Buchanan's desire to emulate his illustrious Democratic predecessors. If vigorously pursued, such a policy could also serve to divert attention from sectionalism and slavery.⁷

The key to Buchanan's Mexican policy was contained in his inaugural assertion that "no nation will have a right to interfere or to complain if . . . by fair purchase . . . we shall still further extend our possessions." Only by "fair purchase" or voluntary association, as in the case of Texas, could expansion be accomplished with "justice and honor."⁸ In condemning William Walker's Nicaraguan expedition specifically and filibusterers generally, Buchanan noted in 1858,

It is beyond question the destiny of our race to spread themselves over the continent of North America, and this at no distant day should events be permitted to take their natural course. The tide of emigrants will flow to the south, and nothing can eventually arrest its progress. If permitted to go there peacefully, Central America will soon contain an American population which will confer blessings and benefits as well upon the natives as their respective Governments. Liberty

under the restraint of law will preserve domestic peace, whilst the different transit routes across the Isthmus, in which we are so deeply interested will have assured protection.⁹

Buchanan, who would handle most of the duties of the secretary of state himself, appointed another old expansionist, General Lewis Cass, to head the department of state. Buchanan exercised direct control of foreign affairs through John Appleton, a close and trusted friend, who was appointed chief clerk under Cass. In matters of patronage, Buchanan adopted the general rule that Pierce appointees against whom there was no negative information should be allowed to retain their posts until the terms of their appointment expired or until they had held the posts for four years.¹⁰ This policy coupled with pressure from the Mexican legation and from Forsyth's friends resulted in his retention despite the obvious conflict between his views, as reflected in the February treaties, and the territorial expansion policy being adopted by the president.

Buchanan outlined the terms of his Mexican policy in two instructions to Forsyth on July 17, 1857.¹¹ Forsyth was directed to secure a treaty reaffirming American transit rights in the Isthmus of Tehuantepec and to negotiate an adjustment of boundaries and a settlement of mutual claims. He was to purchase Baja California, Sonora, and that portion of Chihuahua north of the 30th parallel. For this transfer of territory \$12 million was to be offered, with the maximum price set at \$15 million. All claims against the United

States must be dropped, while all noncontractual claims against Mexico were to be assumed by the United States and \$2 million of the purchase price would be withheld to satisfy them.

Buchanan's policy of territorial expansion represented a frank endorsement of the cruder forms of Manifest Destiny, as indicated by the arguments Forsyth was to use to support the proposed sale. Remoteness, sparseness of population, and the hostility of local Indians were points to be emphasized in his discussions. That the region was sparsely inhabited would demonstrate how valueless the area really was to Mexico. The inevitability of American acquisition was to be made clear. Suggestions that Mexico should sell the area while she still had some actual control over it, as well as a legal title, was a clear threat of future American seizure. The threat to use force was also to be made in connection with the claims settlement. Only by the sale of territory could Mexico hope to satisfy the great number of American claims--claims which "appeal very strongly . . . [for] intervention to enforce them."¹²

Forsyth was also instructed to expand the terms of the Gadsden treaty to give the United States a clear and perpetual right to use any and all means of communication which might be opened across Tehuantepec. Provision should also be made to allow it to protect all such routes in any case where Mexico might be unable or unwilling to provide adequate security. Mexico should be required to open free

ports on both the Gulf and Pacific sides of the isthmus. No reciprocal compensation was offered Mexico for the agreements on Tehuantepec.

For immediate political dividends, the Tehuantepec transits were considered more important than the territorial question. Conflicting claims over the right to construct the transisthmian railroad had been put aside for the moment and all the former competitors brought together in one organization. P. A. Hargous, who had purchased the Garay concession in 1849; A. J. Sloo, who had secured a new grant in 1853; and F. P. Falconnet, a British banker whose loan of \$600,000 to Sloo in 1853 to secure the grant had never been repaid and whose foreclosure and subsequent sale of the grant to Hargous had not been recognized by Mexico or by Sloo, were all cooperating with a group of New Orleans investors, led by Emile La Sere and Benjamin. These groups had a reorganized Louisiana Tehuantepec Company with La Sere as president and Benjamin as attorney.¹³ Both his position as attorney and as major stockholder in the new company encouraged Benjamin to use his influence with Buchanan to best advantage. In stocks, bonds, and commissions the success of the venture could mean some \$160,000 to Benjamin's personal fortune.¹⁴

The frail nature of the unity of interests represented in the recent merger also caused Buchanan and Benjamin to give first priority to the transit question. Both Sloo and Falconnet were distrustful of the new company and were taking steps outside the company to safeguard their interests. Sloo

later challenged the legality of the company's organization in court, while both he and Falconnet maintained agents in Mexico.¹⁵ Only an immediate success in Mexico could hold this weak coalition together long enough to realize either political or financial profit from the venture. Forsyth was assured that the desired transit agreement "will be productive of great and enduring benefits to your country and entitle your name to be enrolled in the list of her most distinguished Diplomats."¹⁶

The instructions on Tehuantepec marked a considerable gain for Benjamin. Assurance of American protection for the transit route during the period of construction would greatly assist the company's efforts to raise money by public subscription. Benjamin's influence was further enhanced when he was commissioned to deliver the new instructions to Forsyth. Benjamin and La Sere were coming to Mexico to negotiate a contract for the new company. Forsyth was instructed to endorse their efforts and to give them whatever aid seemed advisable. He was also authorized to make use of their services in his diplomatic negotiations.¹⁷

Forsyth, who had already shown a propensity to assume responsibility and to try new experiments in diplomacy, did not accept his instructions complacently. When informed that his treaties had been rejected, he concluded that the treaties but not the policy behind them had been rejected and so informed the Mexican government. He immediately embarked upon a campaign to convince the new administration

of the wisdom of the policy.¹⁸ He informed the Mexican foreign ministry that the principal problem had been the lack of time to consider the treaties before adjournment of the senate. He assured Mexico that he would shortly receive instructions to negotiate in terms differing very little from those in the February treaties.¹⁹ While new instructions were being drafted in Washington, Forsyth was pleading for a sympathetic and generous policy toward Mexico.²⁰

Even before the arrival of new instructions, rumors that Buchanan desired to purchase territory caused Forsyth to warn against such a policy and to renew his pleas for a policy based on support for the liberal government and its reform program.²¹ The arrival of the instructions in August provoked Forsyth to use sharp words in replying to Washington. He charged that anyone who had read his despatches over the last several months would know that an attempt to purchase territory was an unwise and impossible policy. The Comonfort government, Forsyth stated, was pledged by the organic act of May 1856 and by its manifesto to the nation of March 4, 1857, to refrain from any alienation of territory.²²

Even if legal obstacles were not enough, Forsyth believed, the mere public mention that a Mexican government was considering the sale of national domain would insure its immediate overthrow. Much of the hostility to Santa Anna, he noted, sprang from his sale of territory in the 1853 treaty. If a government were willing to ignore the legal restrictions and to brave popular indignation in order

to raise money through the sale of territory, it would demand a much higher price than he was authorized to offer. Noting that in 1853 Gadsden had offered \$30 million for a slightly smaller version of the territory now desired, Forsyth characterized the \$12 million now being offered as a "paltry" sum which fell far short of the "exaggerated estimate which the Government and Nation place upon the value of their National Domains."²³

Forsyth adopted the attitude that he had been insulted by the new instructions.

If the Department had had confidence in my capacity to make correct observations, . . . it was in possession of the fact, admitting of no qualification or doubt . . . that the success of the negotiation confided to me, was hopeless from the beginning. I must have greatly misused the ten months period of my residence here, not to have been able to discover this at a glance.²⁴

He renewed his plea for an economic protectorate as the most honorable and painless method of adding Mexico's riches to the wealth of the United States. He assumed this was the objective behind Buchanan's desire to purchase territory. If so, the goal could be achieved easier and more completely through the establishment of an economic protectorate as outlined in the February treaties.

Forsyth's opposition to the purchase of territory was equalled by his reaction to the terms under which he was to negotiate a new and expanded Tehuantepec transit agreement. In the former case he endorsed the ultimate goal but disagreed on the best method of realizing it. In the latter, however,

Forsyth was convinced that Buchanan, by acting on the faulty advice of Senator Benjamin, was verging on unethical practice. In his eyes, the instructions on transit rights smacked of official backing for one group of speculators--Benjamin, Hargous, and associates--to the detriment of another group--A. G. Sloo and associates. Worse, it even suggested that national interests had been subordinated to the private concerns Benjamin and friends.²⁵

Forsyth also believed that he was again being directed to negotiate on impossible terms. He was to negotiate a transit treaty containing more liberal provisions than the Gadsden treaty, yet no money payment was to be offered for these concessions. Forsyth had already sounded out the Mexican cabinet on this question and had found its members "fully alive . . . to the immense value of the Isthmus." Any attempt to improve on the American position without appropriate compensation would surely fail. "Mexico remembers that ten years ago [when Buchanan was secretary of state] . . . the U. S. offered fifteen million for the right of way across the Isthmus." Mexico should not now be expected to give away this asset, Forsyth argued, especially when several Mexican citizens were able and willing to purchase the transit rights without endangering Mexican sovereignty.²⁶

Forsyth's attitude on the transit question was complicated by his relations with Benjamin. They had led opposing camps in the Cincinnati convention and their relations in Mexico were to be permeated with suspicion and mistrust.

Forsyth believed that Benjamin had been instrumental in turning Buchanan against the February treaties; Benjamin suspected that Forsyth's true sympathies lay with the Sloo interests, whose agent, Pierre Soulé, was in Mexico City to work against Benjamin.

Unable to bury his personal dislike of Benjamin and feeling that Buchanan's transit policy represented political favoritism and that any attempt to purchase territory was unwise, Forsyth settled on a course of action apparently designed to insure the failure of all negotiations. He immediately discussed with Sebastián Lerdo de Tejada, now foreign minister, the terms of the two treaties he had been directed to negotiate. Lerdo indicated that the territorial proposal was unacceptable and that he would negotiate on the transit question only if the proposal were changed so as not to violate Mexican sovereignty. Mexico would not consider any proposal which allowed American troops to use the transit route or to protect it. Forsyth indicated to Sebastián Lerdo that the proposals would not be presented formally until Mexico had had an opportunity to make a contract with one of the contending groups.²⁷

Since Forsyth's instructions specified that any contract signed by Benjamin and La Sere must conform to the terms which he was instructed to write into a treaty, Forsyth assumed that Sebastián Lerdo's objections to these terms insured that no contract would be let. With this assumption in mind, Forsyth fulfilled the letter of his

instructions to aid Benjamin and La Sere. He introduced the Louisianians to Comonfort and stated to him in their presence that their project had the approval of the United States government. Beyond this initial courtesy, Forsyth was careful to avoid giving any semblance of official sponsorship to their private negotiations. To prove his neutrality on the transit question Forsyth also introduced Soulé, the Sloo agent, to Comonfort.²⁸

In assuming that no agreement could be reached between Benjamin and the government, Forsyth had underestimated both parties. Rumors that a contract was being signed created grave doubts in Forsyth's mind. Was Benjamin agreeing to terms which would endanger the American treaty rights in the isthmus? Forsyth feared so. Benjamin's repeated boast of having secret powers from Washington which temporarily suspended the functioning of the American legation would lend extra weight to any contract he might make. Hoping to prevent any agreement or, failing that, to set the American position clearly before the Mexican government, Forsyth presented a copy of the draft treaty and instructions he had received on the transit question to Comonfort. He indicated that the United States would only recognize a contract which conformed to these and which preserved all American rights under the 8th article of the Gadsden treaty.²⁹

Forsyth's effort was in vain, for the Mexican government was fully aware of the breach between him and Benjamin and was exploiting it. Knowing that Benjamin refused to

confide in the American minister, the Mexican negotiators fed this distrust in order to drive a better bargain. At a crucial point in the negotiations, they informed Benjamin that Forsyth had withdrawn his endorsement. At another point, Benjamin was told that Forsyth had warned Mexico against making any contract, for the United States would consider this as a casus belli.³⁰

Pressed by the Mexicans to agree quickly or lose all chances of reaching an agreement and feeling that he had been betrayed by Forsyth, Benjamin panicked and accepted a contract on Mexico's terms. The contract fell far short of the spirit and letter of the policy outlined in Forsyth's instructions. The contract made the Louisiana Tehuantepec Company completely subservient to the Mexican government. The company was required to submit to the supervisory power of the fomento ministry and to pay the Mexican government a fixed sum for each passenger and package transported across the isthmus. The government would also receive 15% of the company's net profits. The company was required to construct and turn over to Mexican control lighthouses, docks, jetties, and other navigational improvements. More serious for American interests, the contract provided for the annulment of the Sloo grant,³¹ an action which undermined the American position under article 8 of the Gadsden treaty. American privileges under the Gadsden treaty were further weakened by a provision allowing the transport of American military forces across Tehuantepec only with the expressed permission of

Mexico. Finally, the contract provided for the Falconnet debt, now totaling more than \$1 million, to be paid by the Louisiana Tehuantepec Company rather than by the Mexican government as stipulated in Forsyth's instructions.³²

The Tehuantepec contract negotiations had become inseparably involved in diplomatic relations. Forsyth had intended to take no action on his instructions until after his protests and pleas had been considered in Washington, but Benjamin's actions forced him to do otherwise. Rumors spread that Benjamin was negotiating for the United States to assume Mexico's entire national debt in return for a generous settlement of the transit question, the cession of Sonora and Baja California, and a mortgage on church property.³³ Also attributable to Benjamin were rumors that Washington had lost confidence in Forsyth, that no treaty made by him would be acceptable, and that until further notice "the functions of the U. S. Legation in Mexico were in abeyance."³⁴

Still feeling that commercial and economic domination were superior to territorial expansion, Forsyth decided to secure an unequivocal Mexican rejection of the proposed boundary change. He raised the question with Comonfort and received the expected response. "Each President has his system," Forsyth reported Comonfort as saying, "that of Don Antonio [Lopez de Santa Anna] was to sell his country; mine is to preserve it."³⁵ Forsyth then formally submitted the draft boundary treaty to the foreign minister for

consideration. The response was what he had expected and desired--a polite but firm rejection. "The Govt. of the Republic," wrote the foreign minister, "considers inadmissible any plan based upon the cession of any portion of the national territory."³⁶

Forsyth also pushed for an official Mexican reaction to the proposal for expanded transit privileges. The results were almost the same; Comonfort declined to consider the matter and the foreign minister respectfully refused to deal with any proposal that infringed on the sovereignty of the nation. With regard to the contract negotiations with Benjamin and La Sere, which Forsyth was attempting to insure did not depart from the policy contained in his instructions, he was informed that this was not a diplomatic matter, that the negotiators were being treated as private parties and a contract would only be made with them if it were in Mexico's interest.

These diplomatic exchanges, while they did little to ease Forsyth's immediate fears, created hope in a new direction, Comonfort appeared anxious for a transit agreement which would not infringe on national sovereignty. He had suggested that generous grants could be made to Americans for the construction of railroads from the Rio Grande to the Gulf of California. To assist in financing their construction, Comonfort suggested that the grants carry a cession of alternate leagues of land on either side of the right of way.³⁷

Forsyth thought he saw in this attitude an opportunity to divert Washington from its mistaken policy of territorial expansion. He resurrected his protectorate in modified form. Realizing the degree to which Buchanan was committed to territorial expansion, Forsyth now argued that this must be accomplished indirectly. He proposed a new set of agreements, unembarrassed by territorial cessions, for special commercial advantages similar to those in the February treaties, a postal treaty for regular steamer service, an expanded frontier reciprocity agreement, and a treaty covering railroad concessions and transit rights in Tehuantepec and on Mexico's northern frontier. With large land grants along the railroad routes in American hands, Forsyth argued, the area would soon be Americanized. He now maintained that the ultimate objective of his February treaties had been to Americanize Mexico preparatory to annexation.³⁸

To support the renewed plea for a policy of economic domination, Forsyth advanced a variety of arguments. Mexico must have outside assistance to save itself from anarchy and chaos. Liberals were anxious that this aid should come from the United States. If the United States failed to provide it, European powers would do so at some future date. Mexico must have money and would sign no treaty without it. The \$12 million Buchanan was willing to pay for territory, if used to secure the treaties proposed by Forsyth, would produce advantages far greater than the mere acquisition of land. Forsyth went into a detailed analysis of the results

which would flow from adherence to this policy. Each section of the country, North, South, and West, would benefit. Each segment of the economy, merchants, bankers, investors, farmers, shippers, manufacturers, would gain. With an eye on the sectional problems besetting Buchanan, Forsyth emphasized how his suggestions would bring the sections together in the pursuit of economic profits.³⁹

When Forsyth learned the full details of the contract signed by Benjamin and La Sere, he felt that the United States was in danger of losing all her privileges under the Gadsden treaty. The American position had been that the Sloop grant was valid and only required agreement among the claimants and between them and the Mexican government to implement it. The strength of this position lay in the inviolability of contracts. If the United States allowed a new contract to be made on the basis of the unilateral annulment of the Sloop contract, how could Mexico be prevented from annulling the new contract at some future date? Would Mexico not try to use the contract restrictions on the transit of American troops to free itself from obligations imposed by the Gadsden treaty?⁴⁰

Forsyth attempted to salvage what he could from the wreckage. He requested an interview with Comonfort in hopes of making a treaty to safeguard the American interests in Tehuantepec. But, Comonfort, who by adroit handling of the private negotiations with Benjamin had secured for his country the most favorable position it had held in the transit

question since the first concession in 1842, was not willing to endanger his gains by reopening negotiations. Comonfort was conveniently too ill to receive the American minister; Forsyth labelled it a "diplomatic illness."

Approaches to the foreign minister were no more productive. Sebastián Lerdo indicated his willingness to negotiate, but the perpetual right of way, the right to pass military forces, and the unilateral right of the United States to protect the transit route were specifically ruled out. Since Forsyth could negotiate on no other terms and since the position adopted by the foreign minister coincided with the terms of the recent contract, Forsyth dropped the matter, convinced that Mexico now maintained that American rights in Tehuantepec were defined not by the Gadsden treaty but by the provisions of the contract with the Louisiana Tehuantepec Company.⁴¹

The most immediate and direct result of the imbroglio left in the wake of the collapse of Buchanan's Mexican policy was an acrimonious episode in which Forsyth and Benjamin both sought to escape responsibility. With charge, counter-charge, and name calling, each side appealed to Buchanan for support.⁴² In a diary kept by Benjamin while in Mexico and turned over to Buchanan, the charges against Forsyth were summed up as follows:

We have not the slightest hesitation in saying that Mr. Forsyth's treacherous conduct towards us has cost the Company the whole of the Falconnet debt . . . and a loss of fifteen years addition to the terms of the concession, the value of which we will not undertake to estimate.⁴³

Forsyth answered Benjamin, charge for charge, and countered by recounting his grandiose actions--his attempts to speak in the name of Buchanan, his belittling of Secretary Cass, and his hunger for the spotlight. Forsyth asserted that Benjamin had attempted to exceed his authority and had been outmaneuvered and outwitted by the Mexicans. He emphasized that both his position and instructions had dictated that his first responsibility should be to national interests, not the private business interests of Senator Benjamin. This, Forsyth felt, was the crux of the matter. The charges against him were being made "not for failing in . . . [his] public duty . . . [but rather because he] had not permitted [himself] to be the pliant tool of the clique of Tehuantepec speculators who for ten years past have constantly kept this Legation in hot water--a clique that has vaunted it's ownership of more than one American Minister. . . ." Forsyth closed his defense with an offer to resign if the administration did not have confidence in him.⁴⁴

Forsyth's bid for a vote of confidence went unanswered. The best Washington ever did, in a communication which could only be considered a reprimand, was to regret that mutual distrust and jealousy had prevented the president's agent and his friend from working together on a matter of such importance. "The public interests may have suffered from an unfortunate misunderstanding," was the sad verdict of Washington.⁴⁵

A second result of the failure of Buchanan's policy

was a renewal of Forsyth's efforts to induce Washington to adopt his dream of a protectorate as its policy. He continued to revise and refine the key points of his February treaties and to point to the varied interests which would be served. He argued that his policy would ultimately lead to a situation where partial or total annexation of Mexico could be accomplished by mutual consent. In the meantime, the incalculable economic benefits generated by a protectorate would lessen domestic sectional strife. He noted that there were far fewer Americans in Mexico than Frenchmen, Spaniards, Germans, or Englishmen. None of the import firms in Mexico City were American owned. The scarcity of Americans made the Mexican government less responsive to their interests and contributed to their mistreatment. More Americans would strengthen the government and bring about an increase in Mexican respect for American lives, property, and other interests. The only alternative was the use of force. Forsyth summoned all his considerable journalistic skills in an effort to convince Buchanan that this was the ideal plan under the circumstances.⁴⁶

Forsyth's planning and pleading were all in vain; a vast gap existed between his views and those of Buchanan--a gap made obvious by the response given to his request for new authority. In an instruction notable for its bluntness, Forsyth was informed that Buchanan would never agree to a loan, or a payment of any kind to obtain transit rights, railroad rights of way, or a commercial treaty--the implication being

that money would only be paid for land. An American pledge to defend the isthmian transit route was held to be more than ample compensation for transit rights and privileges since, as Buchanan saw it, private interests would never construct a railroad across Tehuantepec if only Mexican protection was offered. Regarding the purchase of railroad rights of way, Buchanan felt that

"the importance of a railroad across her Northern territory, ought to induce [Mexico] to adopt the most liberal measures in order to secure the necessary protection and capital It is hardly to be expected that the United States will pay . . . for the privilege of conferring on that country this great and important benefit."⁴⁷

Forsyth's halfhearted handling of the president's initial instructions coupled with his attempts to revive the protectorate scheme aroused Buchanan's ire and brought a strongly worded censure. Forsyth was reminded that he was only an agent charged with carrying out presidential orders--not with determining policy. The manner in which Forsyth had presented the president's proposals was interpreted as a violation of the spirit, if not the letter, of his instruction. Buchanan, speaking through the secretary of state, charged that Forsyth, convinced of the superiority of his own plans, had presented the president's proposals in such an informal and listless manner as to insure their rejection. "If the negotiation confided to you was 'hopeless from the beginning' as you declare it to have been," he was informed, "you had the consolation of knowing that you were not responsible for it." If Forsyth had honestly tried to execute the

president's policy and had failed, "no blame for the indignity could possible have rested on [him]." The implication was clear: Forsyth had not faithfully tried to execute presidential policy, so the blame rested squarely with him.⁴⁸

Thus chastized for not having loyally pursued Buchanan's expansionist policy, Forsyth was left at his post and informed that the instructions of July 17, 1857, would continue to be taken as a statement of the Mexican policy of the United States. The policy, "having been adopted deliberately," was "not likely to be changed." Buchanan would be pleased if Forsyth concurred, but whether he did or not, it was his duty to do all possible to gain its realization.⁴⁹ Why Forsyth was retained in view of the obvious conflict in views is inexplicable.

The impasse created by the collapse of Buchanan's Mexican policy in the fall of 1857 was soon relieved by events in Mexico. After having argued for a year that Mexico would never agree to sell territory, Forsyth now learned informally that Comonfort was willing to negotiate for the sale of territory.⁵⁰ This change in attitude reflected the increasingly precarious position of the liberal government. Its position had deteriorated steadily since the promulgation of the new constitution the previous February. The constitution embodying the earlier reform measures was met with bitter church opposition. The establishment of a new congress under the constitution on September 15 and the prospects of inaugurating Comonfort as constitutional president on December 1

increased the frequency and intensity of revolts. Comonfort, assailed from all sides and heading a bankrupt government, doubted the wisdom of the more radical features of the constitution and weak executive provided for in that document.⁵¹ This conjunction of events convinced him to seek assistance at the expense of national honor and territory.

Forsyth now hoped to convert disaster into victory and redeem his reputation as a diplomat, but only if Comonfort could remain in power long enough to effect the transfer of territory.⁵² He was not very sanguine of Comonfort's ability to retain his position. Neither the liberals nor the conservatives trusted or fully supported Comonfort, yet neither had made an concentrated effort to oust him for fear of losing control of the presidency to the opposition. If Comonfort were replaced by a strong leader of either party, Forsyth felt, the purchase of territory would become more difficult. Benito Juárez, chief justice of the supreme court and ex officio vice-president, was a puro of considerable talent and character who would oppose the sale of territory as a matter of principle. A strong conservative government would be even worse: it would be pro-European and hostile to the United States.⁵³

Since the purchase of territory depended upon Comonfort remaining in office, Forsyth undertook to bolster the president's shaky position. He supported the government's effort to float a loan of \$6 million among the local bankers.

Although it proposed to sell \$6 million in bonds for only \$2.5 million, the local financiers, doubtful of the government's ability to remain in power, refused the loan. To bolster public confidence, Forsyth spread stories that he had full authority from Washington to extend financial aid to Mexico on the basis of a treaty for commercial privileges, transits, or territory. He also got Gabor Naphegy to indicate that his New York bankers were prepared to cover the first repayment installment on the loan if assistance by treaty had not been completed by then.⁵⁴ Despite the favorable terms and Forsyth's efforts, the bankers remained unconvinced and the loan failed.⁵⁵

Forsyth also turned to Washington for assistance in capitalizing on Comonfort's new attitude. The natural wealth of the regions to be purchased convinced Forsyth that "they would be a cheap bargain at almost any money price." To secure such riches by forcing a "hard bargain" on a "feeble and embarrassed neighboring nation" would damage "American national character." To safeguard the priceless "national character" and at the same time to insure "the success of so important an object," Forsyth requested that he "be empowered at the critical moment to offer an irresistible temptation" to Comonfort and the congress in the form of "a price that would in some degree satisfy the expectations of the [Mexican] public mind."⁵⁶

Comonfort, keenly aware of American fears of European influence in Mexico, sought to enhance his bargaining

position. He had his agent, Gregorio Ajuria, approach the French minister with accounts of the desperate plight of the government.⁵⁷ Rumors were circulated that Spain was aiding Santa Anna to subvert the junior officers in the Mexican army. Comonfort casually informed Forsyth of a plan, reportedly approved by France and Great Britain, for Spain to furnish Comonfort "25,000 Spanish troops, & the necessary supplies of money to establish himself firmly in power, & to become the head of whatever form of Government he chose." The object of the scheme was candidly reported to be European domination in Mexico as the first step toward restoring Spanish control over all Spanish America and protecting "Cuba against the designs of the United States." Comonfort's actions had the desired effect; Forsyth reported that "Mexican institutions are crumbling to pieces, and interposition to gather up the wreck . . . is as certain as it is indispensable. . . . Shall that interposition be American or European?"⁵⁸

Despite his success in arousing American concern and support, financial succor was not forthcoming and Comonfort felt his position becoming more untenable. Before taking the oath of office under the constitution, Comonfort sought conservative support for his governing without the constitution. Only after this effort failed did he agree to become constitutional president.⁵⁹ He did not, however, cease to seek an understanding with the conservatives. If the liberals and their American friends were unable or unwilling to furnish the necessary monetary support, possibly the

conservatives would. He held discussions with conservatives aimed at a government of reform which "would not openly clash with conservative principles or the religious habits and beliefs of the people."⁶⁰ He also discussed with the French minister the possibility of monetary aid in the event he suspended constitutional government.⁶¹

The result of these considerations and maneuvers was a coup d'etat on December 17 in which the constitution was suspended, congress dismissed, and Juárez arrested. A carefully rehearsed pronunciamiento at Tacubaya by conservative General Félix Zuloaga in favor of a dictatorship under Comonfort followed immediately. The conspiracy, however, had misjudged the reaction of local governments to the suspension of the constitution. Since most state and municipal officials had already been excommunicated for taking oaths to support the constitution, they had nothing more to lose and much to gain by maintaining the liberal charter. Almost without exception the local levels of government began declaring in favor of the constitution. Even his conservative support proved largely illusory.⁶² As his position deteriorated Comonfort requested first \$1 million in aid from the French minister and then \$600,000 from the American. The French minister refused: Forsyth indicated his willingness, but it would take months to secure the money.⁶³

When it became obvious that Comonfort's effort to establish a coalition dictatorship was doomed to failure, his last major supporter deserted him. On January 9, 1858,

Zuloaga abandoned Comonfort and pronounced anew, this time for the constitution. With the defection of Zuloaga the civil war, which for months had simmered in the countryside, became general and the fighting moved into Mexico City. Soon three contending armies were in the city--liberal, conservative, and the small force still loyal to Comonfort. On January 11 Comonfort sought to rejoin the liberals: Juárez was released; Comonfort recognized him as constitutional president; and his escape to Guanajuato was arranged. These steps gave Comonfort no relief and on January 21 he abandoned the national palace and escaped to Veracruz, where preparations had been made for his flight into exile.⁶⁴

During the last weeks of his presidency, Comonfort received the assistance not only of Forsyth, but also of a number of private Americans. The most active was Gregorio Ajuria, who although he may not have been an American citizen resided in New York and was involved in the Mexican business ventures of his father-in-law, John Temple. In addition to being Temple's agent in the operation of the Mexico City mint, Ajuria owned the newspaper used by Comonfort as an official organ and had made several profitable loans to the government. As Comonfort's position worsened Ajuria became his messenger--to the French minister, possibly to Forsyth, to Doblado in Guanajuato, and he may have escorted Juárez to safety on January 11. Ajuria had made standby emergency travel arrangements for Comonfort and himself, although he apparently did not depart on the

same ship from Veracruz as Comonfort.⁶⁵ Carlos Butterfield was also in Mexico City during this period negotiating a mail steamer contract unhindered by any requirement for a postal treaty and trying to collect an old claim.⁶⁶ What Butterfield may have done is not clear--he was noted for his ability to obtain arms--but he was later referred to as having given great aid to the liberal cause at this time.⁶⁷ Jean Napoleon Zerman and his filibustering companions probably gave the most direct aid. Charges against them were dropped and they took up arms for Comonfort during the last days before his flight. Zerman accompanied Comonfort to Veracruz and embarked on the same ship with him for New Orleans.⁶⁸

Forsyth viewed the events of December and January as a lesson for him in Mexican politics and in the appropriate diplomatic techniques to be employed in such situations. Fiscal insolvency had been the primary reason for the failure of the Comonfort government and had driven it to consider the sale of territory. Only the lack of ready cash had prevented Forsyth from concluding a deal giving the United States the desired territories. Asserting that similar situations would arise again and again in the future, he appealed to Washington to put at least \$500,000 at his disposal "to be applied as part payment immediately upon the signing of a treaty of cession." With ready cash, Forsyth believed he could entice any future government to sell territory by being able to place in its hands immediately an amount of money sufficient to sustain it in power.⁶⁹

With the collapse of Comonfort two focal points of power emerged, each claiming an exclusive right to govern. Juárez, released from confinement and recognized as president by Comonfort on January 11, formed his liberal government at Guanajuato on the 19th.⁷⁰ In Mexico City Comonfort held out until the 21st thus delaying the creation of a conservative government under Zuloaga until January 23rd.⁷¹ Thus by late January 1858 Forsyth faced the task of choosing a government to recognize.

Forsyth apparently felt that he must make an early choice. He could have referred the question to Washington, or he could simply have waited several weeks to see if the situation would clarify before acting. But, on January 27, only four days after it was established, Forsyth recognized the Zuloaga government. The lengths to which Forsyth went in justifying his action indicate that he had serious misgivings as to its justice. Ignoring information reported earlier, he sought to create the impression that he had had no choice. He argued that Juárez's legal rights had been destroyed by his failure to oppose the coup of December 17, conveniently ignoring the fact that one of the first acts of the coup had been to arrest Juárez to prevent his opposition. Again ignoring Juárez's imprisonment, Forsyth asserted that he had waited in vain for the liberal government to contact him since December 17, and then inexplicably calculated this wait as 47 days.⁷²

The facts in the case were somewhat different from

the picture presented by Forsyth. The release of Juárez, his escape to Guanajuato, and the establishment there of a constitutional government were fully reported in the Mexico City press.⁷³ Forsyth doubtlessly realized that he soon would be officially informed of the existence of the liberal government and asked to extend diplomatic recognition to it. Forsyth's decision to recognize Zuloaga's government had much to recommend it; it was located in Mexico City, the traditional capital; Zuloaga appeared the more likely to succeed since he had the support of both the army and Church; and Forsyth apparently decided that the conservatives would be more likely to sell territory than would Juárez and the puros. In view of the stern reprimand recently received relative to his failure to pursue vigorously his instructions on the purchase of territory, Forsyth was extremely sensitive to any indication that such a proposal might be entertained.

If Forsyth's haste in recognizing Zuloaga was motivated by a desire to avoid an open decision on the relative merits of the two claimants, he barely acted in time. On January 29, two days after recognizing Zuloaga, Forsyth reported the receipt of an official communication from Melchor Ocampo, Juárez's foreign minister.⁷⁴ But the die had already been cast; Forsyth could only express his sympathy for the views of the liberals and attempt to justify his failure to recognize their government. He argued that by established diplomatic practice, the holder of Mexico City had always been given de facto recognition. He

repeated the same arguments he had made to Washington but now made his wait one of 49 days. Forsyth's note to Ocampo was a valiant effort to reverse the tables--to make the liberals responsible for American recognition of Zuloaga and to make Forsyth appear the aggrieved party.⁷⁵

The liberal government considered American recognition vital and had gone to great lengths to obtain it. Ocampo's official note was accompanied by a personal letter in which Forsyth was assured that all matters pending between the two countries could be resolved in an amicable manner.⁷⁶ Benito Gómez Farías, son of the late liberal leader Vicente Gómez Farías and now undersecretary in the liberal foreign ministry, wrote assuring Forsyth that a generous and friendly policy would be pursued toward the United States.⁷⁷ Manuel Doblado wrote as governor of Guanajuato and second in command of constitutional forces pleading with Forsyth not to recognize the reactionary regime. Doblado informed Forsyth that if he wished to move his residence to Querétaro or Guanajuato while the constitutional army reduced the rebels in Mexico City, he (Doblado) could assure him of security and respect.⁷⁸ For several weeks after learning that he had recognized Zuloaga, the liberals continued to pressure Forsyth, warning him that no agreement made with the conservatives would be honored by the liberals after the conservatives had been defeated.⁷⁹

Forsyth's decision to recognize Zuloaga has continued to be the source of controversy. Although no displeasure

was expressed at the time by Washington, Buchanan later sharply criticized the "indecent haste" shown by Forsyth.⁸⁰

An American historian later accepted Forsyth's claim that established diplomatic practice dictated recognition of whoever controlled Mexico City.⁸¹ This rationale ignores the fact that Gadsden had recognized the Alvarez government at Cuernavaca. More significantly, it ignores the fact that in 1848 the treaty of Guadalupe Hidalgo was made with a government located in Querétaro. The Mexican historian, José Fuentes Mares, recently charged that Forsyth lied about the dates on which he received official notice of the establishment of the constitutional government--that he had received this notice before granting recognition to Zuloaga on the 27th. Fuentes Mares concluded that Forsyth lied to cover his having deliberately chosen the Zuloaga government as the most likely to accede to demands for territory.⁸²

Fuentes Mares' assessment, although somewhat exaggerated, comes very near the truth. There can be no doubt that Forsyth was at least unofficially aware of the existence of the Juárez government and that he made a conscious decision to favor Zuloaga with recognition. This action was doubtlessly influenced by Forsyth's assessment of the conservatives' attitude toward a boundary change--within three days of recognition Forsyth could report that he had already sounded out the new government and found few indications of strong hostility to the sale territory. This surely was not the only factor which Forsyth considered in

making his decision. He may have felt that the liberals had little chance of success even with American recognition and that subsequent relations with the victorious conservatives would be extremely difficult. He may also have realized that if the liberals did have any success they would be able to control the coastal areas and the customhouses, leaving the conservatives in the core region hard pressed for funds and thus more open to American offers to purchase territory.

But the evidence does not fully support Fuentes Mares' charge of fabrication. He asserts that Forsyth's statement that "I have been forced to make a choice of evils," is proof that he had received Ocampo's note before January 27. The statement read in context does not support this contention. A complete reading of the January 30 despatch strongly suggests that Forsyth's "choice of evils" was between the known qualities of the Zuloaga government and the unknown qualities of that of Juárez. Rather than proving outright fabrication, the evidence only convicts Forsyth of being aware of the existence of the liberal government and of acting with haste to preclude having his position complicated by official confirmation of his knowledge.

That the liberals should have felt that they had been betrayed by Forsyth was not surprising. Already having been deceived by Comonfort and well aware that their conservative enemies had the sympathetic understanding of the diplomats representing the major European powers, the liberals had assumed they could count on the support of their "natural

ally." American recognition was important not only for the prestige it would lend, but also because it would facilitate the raising loans and buying arms in the United States, a task which the liberals realized was essential for their victory. On February 10, Ocampo ordered Robles Pezuela, Comonfort's minister to Washington, to work to reverse Forsyth's recognition of Zuloaga.⁸³ Robles took the position, however, that he would represent whichever regime the Americans chose to recognize and thus he became an agent for Zuloaga,⁸⁴

The liberals entrusted the task of representing the constitutional cause in Washington to a proven puro, José María Mata, the son-in-law of Ocampo. In early March, as the Juárez government fled westward in search of a haven, Ocampo ordered Mata to proceed to the United States in search of recognition, official aid, and private loans.⁸⁵ In the United States, Mata soon discovered that Buchanan would not seriously consider countermanding Forsyth's action until the prospects for a liberal victory became brighter and that loans, both private and official, depended on recognition.

When Mata arrived in Washington in late April he found American sentiment so favorable to Zuloaga that he did not present himself in an official capacity. Unofficially Buchanan expressed sympathy for the liberal cause but raised numerous objections to recognition. Already aware of the position taken by Forsyth, Buchanan maintained that recognition of the liberals would be a radical and

unjustifiable departure from the traditional American policy of recognizing as de facto whichever force held Mexico City. Mata's argument that the liberals constituted the de jure government did not impress Buchanan. To Mata's amazement, Buchanan demanded an English translation of the Mexican constitution in order to determine if a regime which did not control the capital city could be considered de jure. Convinced that Buchanan was stalling, Mata decided to concentrate his efforts on public relations and private loans.⁸⁶

With the possibility of a government loan closed off, Mata travelled to New York in a vain search for private funds. He found the money circles of New York generous with sympathy but very hesitant with credit. Three times he had loans apparently arranged only to have bad news from Mexico frighten off the creditors. After spending the month of May in New York, Mata decided that official recognition must precede even private loans and he returned to Washington to concentrate on reversing American policy. If this failed, Mata was determined to return to Mexico to take an active part in the civil war.⁸⁷

Upon his return to Washington, Mata used Jane Cazneau, the expansionist who had been so influential during the Pierce administration, to further his efforts.⁸⁸ She was one of the editors Mata had persuaded to favor the liberal cause. She now arranged a conference with Buchanan. Since the suggestions contained in her letter setting up the interview conform closely to Mata's views at the moment, the letter is worth quoting extensively.

Mr. Mata of Mexico, whom I named the other day as the minister of President Juárez, is now here awaiting an interview. He has I believe full powers to raise funds by any means short of alienating territory.

It has been suggested that a free transit at Tehuantepec, with all but free ports at the termini, might be worth a million of dollars . . . , and that another million expended under the joint supervision of the two republics in improving these free harbors would open that splendid country to the right class of settlers.

If any other nation is willing to pay for similar concessions, there need be no objection for neither money nor navies can buy the power of proximity.

Another million will secure the like advantages of way on the northern frontier, with neutral territory down to 28° N. L. under conditions amounting to a sale.

Two millions will give us two free highways to the Pacific and put Juárez in the city of Mexico. Once there he is pledged to a policy that saves Cuba.

Intimate and sincere friends who have studied the position and probabilities of Mexican affairs assure me of facts and intentions that may, if acted upon in season, produce the most important changes outside of Mexico.

It was of these things which I wished to speak when I last had the pleasure of speaking with you but an afterthought that some of the parties might not wish the whole programme stated to the person then present restrained me for the moment.

The points I have now stated will be confirmed by Mr. Mata and the Juárez government.⁸⁹

A number of interesting although speculative inferences can be drawn from the letter. Obviously neither Buchanan nor Mata had fully confided in the writer since she was unaware of their having met in April. While there is no proof that Mexico was prepared to make the suggested deals in return for money and recognition, Mata was now very pessimistic and most anxious for some arrangement. He doubted that the liberals could win without foreign assistance, but

he was convinced that the Mexican nation and nationality would survive only if liberal cause were victorious. The deals suggested in the letter were remarkably similar to components of Forsyth's economic protectorate scheme which had received warm Mexican support. The greatest departure from the Forsyth project was the vague illusion to saving Cuba, doubtlessly an appeal to Buchanan's well known desire to acquire that island. It is quite conceivable that the letter was drafted with Mata's concurrence. Such a view is supported by glowing endorsements Mata subsequently gave the Cazneaus' applications for land grants in the Yucatán and for transit routes in the frontier area.⁹⁰

Although Mata never related the details of the interview, he was heartened by it. Mata reported that Buchanan was much more understanding and that previously he had not fully understood the Mexican situation. Buchanan recommended that Mata publish a true account of the situation to enlighten the American public as a first step toward a reversal of American policy. With this encouragement, Mata returned to New York where, with the aid of Jane Cazneau, the Herald (New York) published two articles which suggested that the Americans had no reasonable claim on Mexico that the liberal government would not be willing to satisfy.⁹¹

The favorable public reaction to the Herald articles and telegraphic news that Forsyth had suspended relations with the government in Mexico City seemed to promise an early reversal of American policy. In a conference on July

1, Mata reported that Buchanan showed still greater interest in liberal government, now situated in Veracruz, and asked for information on the conditions of the Tehuantepec transits and harbors. When Buchanan learned that Mata planned to return to Mexico to participate in the military phase of the civil war, he requested him to remain in Washington and promised to recall Forsyth, implying that recognition would follow shortly. With his hopes thus revived Mata decided to remain and work for early recognition.⁹²

Before proceeding with the account of the liberals' attempts to gain recognition and credit it would be well to look at the developments in American relations with the Zuloaga government which had contributed to improving liberal prospects. When Forsyth opened relations with the Zuloaga regime he had hoped to succeed in executing Buchanan's policy of territorial expansion. To improve his bargaining position, he again requested that the authorized price be increased.

The only good palliative which a Mexican administration can apply to the prejudices of the nation against the alienation of its territory, is, that the purchase money is essential to the redemption of the country from its otherwise hopeless financial difficulties. . . to this end, twelve or fifteen millions are not sufficient.

Remembering the recent reprimand he had received for questioning the wisdom of decisions made in Washington, Forsyth hastened to add that regardless of the adequacy of the price he would urge Mexico to accept it. He noted that while the intrinsic value of the territory might be more than the

American offer, the value of the territory to Mexico would diminish as Manifest Destiny ran its prescribed course.⁹³

As Forsyth surveyed the scene, he foresaw developments that would force the conservatives to sell territory, regardless of the inclinations of Zuloaga and his cabinet. "The new Govt. is wholly dependent upon the Church for support," he reported, "all the Coasts & Customs Houses being in the hands of the 'coalition' [Juárez forces]." The Church had to support Zuloaga, for it knew that a victory for Juárez meant the nationalization of its property. The Church was thus caught "between two fires; in danger, first of being ruined at a blow from the Puros, and equally sure of being ruined by degrees by its friends, the present Govt." The Church's dilemma, Forsyth believed, could be turned to advantage. Working behind the scenes, Forsyth sewed "in the minds of several of the leading friends & advisers of the Clergy" the idea that church property could be saved only if Zuloaga could secure funds by the sale of territory. Having planted the seed in early February, Forsyth could only wait to see what would germinate.⁹⁴

By early March Forsyth could report that the seed had fallen on fertile ground. The archbishop of Mexico and bishop of Michoacán had been won over to such an extent that they were pressuring Zuloaga and the cabinet in favor of a judicious sale of territory. But something more was necessary before action could be taken. Forsyth was convinced that the government felt too weak to risk the popular

reaction to such an act, "for while the Govt. admits that this measure should and must be adopted, its lacks the courage to do it." Forsyth believed a decided military victory over the liberals was a necessary precondition for the successful conclusion of his task.⁹⁵ Forsyth gave no indication of realizing that a "decided military success" might be counterproductive--that it might so improve conservative prospects as to make them feel that a radical step to raise money was unnecessary.

The desired conservative victory was achieved at Celaya in early March. By the middle of the month, Forsyth reported that Zuloaga stood poised "between the flush of success and the incipency of new revolutionary movements" and should now have the courage to conclude a sale. Rumors of a movement to return Santa Anna were welcomed by Forsyth. It would stimulate Zuloaga to act quickly, for everyone knew that Santa Anna would not hesitate to make a sale.

A private note from Zuloaga to Forsyth was the signal for the latter to present a formal proposal to the foreign minister, Luis Cuevas, on March 22. The heart of the proposal was a "natural boundary" to follow the Rio Grande to 30° north latitude, westward along that parallel to the eastern-most branch of Rio Yaqui, and down this river to its mouth on the Gulf of California. This would give the United States all of Baja California, most of Sonora, and the northern third of Chihuahua. Forsyth also proposed the settlement of all claims and a perpetual right of way across

Tehuantepec. Not entirely abandoning his own ideas, Forsyth proposed the inclusion of postal and reciprocity treaties similar to those negotiated with Comonfort the previous year.⁹⁶

To support his proposals Forsyth used Manifest Destiny arguments. The territory was worthless to Mexico, but when developed by Americans it would become a powerful generator stimulating economic growth in adjacent Mexican lands. American control and development would drive all the hostile Indians away from Mexico's borders. The argument stressed most, however, was that if Mexico did not sell now she would eventually lose the subject region through the operation of the inflexible laws of Providence. If the United States were selfish she would just wait until "God's natural law" delivered these territories to her instead of offering a fair price for them. The Tehuantepec proposal was presented as merely an amplification and clarification of rights already held under article 8 of the Gadsden treaty. These changes were designed to provide the security necessary to entice investors to risk the capital required to open a railroad.

Forsyth's dream of success were destined, however, to remain just dreams. In a note, dated April 5, the conservative government firmly but politely rejected the proposals. "The president of the republic is thoroughly convinced," wrote Cuevas, "that a change of boundary is neither conducive to it's true interests, nor it's good name, whatever advantages it might realize as just compensation."

Cuevas also refused to negotiate on Tehuantepec transits and pronounced it dangerous to treat the claims question. He even suggested that "serious difficulties" might be encountered in any attempt to negotiate postal and reciprocity treaties.⁹⁷

Forsyth found Zuloaga's refusal inexplicable and decided on a more aggressive policy. He assumed the role of the aggrieved and insulted party, warning that the failure of Mexico to accept its responsibility for injuries suffered by American citizens gave the United States "the right to take redress in it's own hands."⁹⁸ Conservative resistance led Forsyth to adopt dual objectives--to force the acceptance of the American proposals and to encourage the formation of a new government which would be more amenable.

To pressure the existing government, Forsyth directed a series of increasingly hostile notes to Cuevas. To Washington he pictured the existing government as hopeless.

I was taught to expect that it embraced in its personnel some men of higher moral stamp than those I had been used to dealing with under Comonfort. Mr. Cuevas was particularly signaled out as . . . the man who holds his mind & his honor above price, and himself impervious to every sinister influence. From such a minister I hoped for candor & fair dealing. But these expectations have proved to be dreams. The men of the present Cabinet, like their predecessors, are Mexicans all. Zuloaga is a cypher without knowledge, dignity or courage. Mr Cuevas is a Jesuit and a shuffler, & the rest of the Ministry . . . are the merest blanks.⁹⁹

Forsyth declared that normal diplomatic techniques were useless in Mexico. The United States must chose between the only two viable policy alternatives--the use force or the establishment of protectorate.

Attempts to use threats as diplomatic tools were ineffective, Forsyth felt, because Mexicans knew these were only bluffs which would not be backed by force. Because the United States was unwilling to use force against Mexico "our relations . . . have been left to take their own course, & . . . Mexico has been allowed to do just as she pleased in respect to our Govt., our people and our commerce, & she had been pleased to do as badly as it is possible to imagine." If the United States wished to pursue a strong policy it must be ready to use force.

You want Sonora? The American blood spilled near its line would justify you in seizing it by way of reprisal the moment Mexico refuses to atone for it. You want other Territory? Send me power to make an ultimate demand for the settlement of the several millions Mexico owes our people . . . & a fleet to back the demand & you will enable me to force a Treaty of Cession for a money consideration. . . . You want Tehuantepec transits? Say to Mexico "Nature has placed the shortest highway between the two oceans so necessary to the commerce of the world in your keeping--you will not open it yourself, nor allow others to open it to the wants of mankind--you cannot be allowed to play the dog in the manger. . . . Give us what we ask in return for the manifest benefits we propose to confer upon you for it, or we will take it."¹⁸⁸

Forsyth's use of such strong language was not designed to force his government to adopt a bellicose policy, but rather it was intended to frighten it into seeing that the other alternative, a protectorate, was the only realistic policy. He reported that leading liberals believed that Mata's mission to Washington was to negotiate for such an arrangement. He warned against this, however, for Juárez "has the heart, it is said, but not the head" for the job.

Forsyth had two more attractive candidates to head such a government, Miguel Lerdo and General Luis Osollo, the chief officer of the conservative army. Both these men were described as pro-American, honest, and free of subservience to the Church. Both doubted the ability of the Mexican army to maintain order and both were convinced that outside help was essential. Forsyth was busy encouraging Osollo and Lerdo to cooperate in overthrowing Zuloaga. The coup, if it succeeded, would be followed by a request for American protection.¹⁰¹

Despite having been severely reprimanded for pursuing his own policy in Mexico, Forsyth was determined to present Washington with a protectorate as a fait accompli. He would drive the Zuloaga government to the wall, forcing it either to sell territory or collapse. Either case would create conditions favorable for Lerdo and Osollo to seize power in Mexico City, and once in power they would give the United States a dominant voice in Mexican affairs. For his vehicle to pressure Zuloaga, Forsyth chose a special tax decreed on May 15, 1858. The decree levied a one per cent tax on all real or personal property valued in excess of \$5,000. Forsyth claimed that the tax constituted a forced loan from which American were exempt. If he could prevent Americans from paying the tax, then other foreigners would refuse to pay, and if foreigners refused then most Mexicans would also refuse. The result would be to force Zuloaga into a corner where he must chose between a sale of territory and bankruptcy. Either alternative was likely to prove fatal to the conservative regime.¹⁰²

As Forsyth had expected, the government declared foreigners subject to the new tax law on the same terms as Mexican citizens, and Americans turned to Forsyth and the American consul, John Black, for advice and protection. The situation seemed perfect for Forsyth's plans. He wrote a letter to Consul Black labeling the special tax a violation of international law and of the treaty rights of Americans. Forsyth advised Americans not to pay the tax unless force was used to collect it. Not content with simply reaching those Americans who actively sought advice, Forsyth had his letter to Consul Black published in the local English and Spanish press.¹⁰³

Forsyth's attempt to secure diplomatic corps agreement to oppose the tax measure failed. Only the new British minister was sympathetic; Otway asked that the law not be applied to English subjects until he could refer the matter to the foreign office.¹⁰⁴ The French minister openly urged compliance. As a result of Forsyth's activities the press began carrying articles critical of the tax, of the government for ordering it, and of the French minister for defending it. Under Forsyth's influence French merchants drew up a petition critical of their minister's stand.¹⁰⁵

The next step in Forsyth's attack was to make the tax a diplomatic issue by directing a note of protest to the foreign ministry against its application to Americans. In this note, dated May 22, Forsyth argued that the tax measure, viewed in all its aspects, did not "come at all within the

purview of the theory or laws of taxation." On the contrary, it was "a simple & naked forced loan." He maintained that "any citizen of the U. S. who complies with its requisitions, makes himself, in a certain sense, a party to the political dissensions of the country." Forsyth advanced two distinct legal grounds for holding that the tax could not be imposed upon Americans. First, under international law, he asserted, the property of foreigners could only be subjected to "lawful, customary taxation." This tax, he maintained, was neither lawful nor customary. Secondly, since the tax was in reality a forced loan, Americans were exempted by treaty provisions; an 1826 treaty between Mexico and Great Britain had exempted British subjects from forced loans and the most-favored-nation clause of the 1831 commercial treaty with the United States extended this exemption to Americans. Forsyth also had this arrogantly phrased note published in the local press.¹⁰⁶ Forsyth assured Washington that his actions had made him spokesman for all foreigners in Mexico and had made the idea of an American protectorate almost universally popular.¹⁰⁷

If Forsyth believed that his display of arrogance would reduce the Zuloaga government to a state of frightened paralysis, he was mistaken. In a calm and reasonable manner which seemed impervious to Forsyth's pressure campaign, Cuevas responded by labeling Forsyth's conduct as "offensive to the sovereignty of the nation." He refused to even consider Forsyth's arguments since, as he rightly foresaw, to do so would make all Mexican tax measures subject to the approval

of the American legation. The decree, Forsyth was informed, would be "punctually & exactly executed." Cuevas could not "believe for a single instant that the . . . [American government] will ever agree that this class of measure shall be made to depend upon the consent of a foreign govt."¹⁰⁸ The Zuloaga administration was not reacting as Forsyth had confidently expected. It was skillfully avoiding the trap which had been so carefully prepared for it.

Forsyth had not planned his confrontation, however, without preparing follow-up stages. He now brought a major gun to bear in a thinly veiled reference to the probability that his government would use force to protect American citizens and their property from "whatever coercive measures" might be taken by Mexico. The present dilemma could have been avoided, he hinted broadly, if serious attention had been given to his March proposals for a boundary change. But all was not lost, he suggested, for Mexico could still agree to the sale, after which he would assist in redrafting the tax measure so as to remove all objections.¹⁰⁹ Throughout the month of May Forsyth, as a part of his concerted campaign, increasingly assumed a hostile tone in his communications with the government on the protection of American citizens.¹¹⁰

For a time Forsyth's second-stage attack seemed to be working. On June 1, Cuevas informed the legation that the execution of the tax decree had been temporarily postponed as a result of Forsyth protests. He appealed for Forsyth's cooperation in making Americans realize their responsibility

to abide by the laws of Mexico. Shortly thereafter Zuloaga sent word privately that in view of the failure of the May 15th tax measure he had no recourse but the sale of territory. A conference was arranged with Zuloaga in which Forsyth thought a firm agreement was reached for Cuevas to be removed if he continued his opposition. Forsyth refused Zuloaga's request that the American legation initiate the new negotiations.¹¹¹

Forsyth did not realize that in refusing to take the initiative in presenting a proposal for a boundary change he avoided a trap set for him. He based his refusal on a fear that he would again be deceived as in March and made to appear ridiculous. He also wanted Mexico to take the initiative to avoid later charges that force had been exerted to secure a treaty of cession. He did not know that Cuevas already saw through the carefully planned diplomatic maneuvers and was willing to risk a break in relations. Nor was he aware that his recall had already been requested.¹¹²

In view of these developments, Zuloaga's private and informal request that Forsyth resubmit his proposals was probably designed to force Forsyth to reveal officially his true objective so that the subsequent break in relations could be premised on that ground. This supposition is reinforced by subsequent events; after Forsyth's refusal to assume the initiative, he was informally notified that the cabinet had convinced Zuloaga to make another effort to enforce the tax decree before resorting to more radical measures.¹¹³

When Forsyth learned that his recall had been requested,

he sought to justify fully his actions to Washington and to secure official backing. He felt that the tax question represented an ideal issue upon which the United States could and should force a general settlement of all outstanding questions with Mexico. He again emphasized that all foreign merchants and businessmen looked to him for leadership. He requested an early endorsement of his actions, If his position were strongly backed by Washington, no Mexican government could refuse to make an acceptable settlement and hope to survive.¹¹⁴ Washington's reaction to the tax question came too late to aid Forsyth in his confrontation with the conservatives and would have been of no assistance had it been timely. Cass first agreed that the tax was a forced loan in disguise,¹¹⁵ but changed his mind after consulting with the attorney-general. Nevertheless, Cass concluded that the tax was "unjust and unfriendly" if imposed on foreigners.¹¹⁶

Although Forsyth had lost the preliminary phases of his battle, he was sure that he would win in the final showdown. He continued to believe that the Zuloaga government lacked both the courage and stability necessary to enforce the decree against Americans. The actual test case was that of Salomon Migel, a naturalized Russian who operated a jewelry firm in Mexico City and was involved in the pearl fisheries of La Paz, Baja California. Migel reportedly did \$500,000 of business annually and employed over a hundred workers. When Migel, acting upon Forsyth's advice, refused to pay the \$730 assessed against him, his property was seized

and on June 17 the foreign ministry ordered him to be expelled via Tampico no later than June 19. Since practically all the foreigners were refusing to pay, the expulsion order of Migel would be the final test; if it were executed foreign resistance to the tax would collapse. If not carried out, however, the government would have lost and foreigners would continue to defy the government.¹¹⁷

In fighting the order banishing Migel, Forsyth followed his established practice of trying to make the matter an issue between the governments rather than one between Mexico and a private American. Since "Mr. Migel and such other American Citizens as may fall under its displeasure," Forsyth informed the conservative regime, "was counselled and advised by . . . their lawful protector in Mexico," the American minister should be held responsible, not the private Americans. Any expulsion order would have to be directed at the minister and could only be done "at the peril of Mexico's responsibility to the Sovereignty of the United States." The purposeful hostility and insulting tone of the note was designed to frighten Cuevas into submission, but it failed. Cuevas would have given him his passports, but the cabinet wanted Forsyth to initiate the break. Cuevas gave in to his colleagues and responded to Forsyth with a harsh but memorable lecture on international law and diplomatic practices. He reviewed in scathing terms Forsyth's conduct from the beginning of the controversy but directed the sharpest attacks at his attempt to assume official

responsibility for Migel's acts. Cuevas asserted that he had

never heard that a foreign minister had the power to tell the subjects of his nation not to obey the laws of the country in which they live. It would appear that H. E. Mr. Forsyth believes the contrary & that he wishes to convert his official representation as minister of the U.S. into a government opposed to another government; forgetting that . . . he can only shield his countrymen through the protection accorded by the laws of the land, by the good advice he may give them, and by cultivating frank & friendly relations which shall be advantageous to all.

Terming Forsyth's conduct as impossible to justify before the civilized world, Cuevas concluded that Migel's punishment was appropriate and the banishment order would be executed.¹¹⁸

Forsyth had gambled and lost; Migel was expelled as ordered. Having pushed to bring about a confrontation in which the government would be left without alternatives, Forsyth now found himself in a similar trap. He could not, after having publicized his challenge to the foreign ministry, now accept defeat and continue to maintain relations with his victorious adversaries. Once the expulsion of Migel took place, failure to break relations would only open him to public ridicule. On June 21 Forsyth accepted the inevitable and informed the foreign ministry that relations were broken until new instructions could be received. In a final desperate effort to reverse their respective positions, Forsyth informed the government of the break in an extremely long note in which he sought to create the impression that war would be the inevitable result of recent developments.

Cuevas refused to be baited by Forsyth's abusive note and merely acknowledged its receipt.

News that this confrontation was pending contributed to Buchanan's more sympathetic treatment of Mata in early June, and a telegraphic notice of the break in relations prompted Buchanan to request on July 1 that Mata cancel his plans to return to Mexico. Both Mata and Forsyth hoped this presaged a radical change in American policy. Mata hoped that American recognition would be extended to Juárez quickly and without too many demands on Mexican resources. Recognition, if not purchased at too high a price, would aid Mata in raising loans from private American sources. Forsyth hoped that his decision to break relations would be endorsed by Washington and that he would be authorized to recognize Juárez. He also hoped that Buchanan would now abandon the policy of territorial expansion as unfeasible, if not undesirable, and would adopt a policy looking to the establishment of American economic dominance in Mexico.

Both Mata and Forsyth were overestimating the rapidity with which Buchanan would act and the degree to which he would alter his objectives. How Forsyth could have expected to be allowed to remain as minister to the Veracruz government is a mystery. His breaking relations provided Washington with an excellent opportunity to remove an individual who had opposed Buchanan politically and had consistently argued the superiority of his views over the policy of the president. Cass gave lukewarm approval to the break

and order Forsyth to return to the United States, withdrawing the mission.¹¹⁹

But Buchanan was not yet ready to commit himself to the Veracruz regime. Routine relations were maintained with Robles, the conservative minister in Washington,¹²⁰ and Forsyth's actions were repudiated when Cass requested that Migel be allowed to return to Mexico since he had acted on faulty advice.¹²¹ Forsyth delayed his departure for several months during which he continued to support liberal plots in the Mexican capital, allowed the legation to be used as a haven for Lerdo and other liberals, and allowed the liberals to bury on legation grounds forty-six bars of silver made from objects taken from the cathedral of Morelia by General Epitacio Huerta.¹²²

Mata fared little better in Washington. Encouraging words from Buchanan hardly compensated for the failure to suspend relations with the representative from Mexico City. Mata's pleas for action were met with vague promises and frustrating delays. Despairing of speeding action in Washington, Mata turned again to New York in search of loans. He now had authority to secure two million dollars in loans and to offer generous security and profit in return. While his credentials allowed him to mortgage church property and customs receipts to secure the loans and to offer interest up to 12%, he was authorized to alter his credentials in any way that might produce success.¹²³ La Sere, Zerman, and Butterfield were pressed into service as loan agents with disappointing results.¹²⁴

The position of the Veracruz government had deteriorated despite its control of the sea ports and customhouses. The civil war paralyzed commercial activity; with import facilities controlled by the liberals and the consumer markets in conservative hands trade slowly ground to a halt. With the decay of commerce and decline in customs revenues control of the ports lost much of its advantage. To sustain his hard-pressed government, Mata offered potential creditors greater enticements--church property of twice the value of the loan could be given as security, creditors could establish a committee to manage the mortgaged property, Mexican property taxes could be mortgaged to cover the loans, only a fraction of the loan needed to be made available to the liberal government prior to its capture of Mexico City, generous discounts on the loan would be acceptable, etc.¹²⁵ Even these concessions did not produce adequate results. How far Mata may have gone to entice creditors is not clear, but he did reject one offer--the sale of \$2 million in Mexican bonds for only \$500,000.¹²⁶

The long delay in the appearance of new American policy initiatives was occasioned not by any need to recast American policy objectives, as hoped by Mata and Forsyth, but rather by Buchanan's cautious efforts to adjust his strategy so as to achieve maximum advantage. Buchanan saw the failure of his policy as resulting from the opposition and subsequent half-hearted efforts of Forsyth. He appears never to have questioned the wisdom of his rejection of the February

treaties nor to have realized that the policy upon which they were based would have drawn Mexico inexorably into the economic and political orbit of the United States.

Buchanan's inflexible policy of territorial expansion denied official American funds to Mexico except on humiliating terms and probably discouraged private sources from making loans. Despite the obvious desire of the liberals to draw closer to their American neighbors, the general American sympathy for the ideology of the liberals, and an American fear that Mexico would fall under European domination, the Buchanan policy had no place for understanding and supporting the liberal cause. Instead, Buchanan sought to increase the fiscal embarrassment of Mexico as a means of acquiring territory. Increasing fiscal difficulties, to which American policy contributed, was a significant factor in Comonfort's suspension of constitutional government. This in turn, triggered a civil war which Forsyth, under proddings from Washington, attempted to capitalize upon to purchase territory.

Forsyth's continuing efforts to secure a government anxious for American protection and to gain a favored position in the Mexican economy for American interests were undertaken without the knowledge or approval of Buchanan. All commercial interests in Mexico suffered as a result of the civil war. American interests were used as a tool to bring pressure to bear on the conservative government. That government responded by punishing an individual American businessman

as a mean of asserting its independence. The result was that almost two years after its beginning the Buchanan administration was no nearer to realizing its policy objectives and Mexico had suffered considerably in the process.

NOTES

1 Philip Shriver Klein, President James Buchanan, a Biography (University Park: Pennsylvania State University Press, 1962), pp. 183-191.

2 Klein, Buchanan, pp. 194-205 and 211-220.

3 Klein, Buchanan, p. 222.

4 Klein, Buchanan, pp. 230-233.

5 Klein, Buchanan, pp. 191-192 and 238-241.

6 Rushmore G. Horton, The Life and Public Service of James Buchanan. Late Minister to England and Formally Minister to Russia, Senator and Representative in Congress, and Secretary of State: Including the Most Important of His State Papers, Authorized ed. (New York: Derby & Jackson, 1856), passim.

7 Roy Franklin Nichols, The Disruption of American Democracy (New York: Macmillan Company, 1948), pp. 4-8, 57, and 67; Robert Douthat Meade, Judah P. Benjamin, Confederate Statesman (New York: Oxford University Press, 1943), pp. 105-107 and 111-113; Louis Martin Sears, John Slidell (Durham: Duke University Press, 1925), pp. 122-124 and passim; and Klein, Buchanan, pp. 252-255.

8 Richardson, Messages and Papers, 5:435-436.

9 Richardson, Messages and Papers, 5:469.

10 Klein, Buchanan, pp. 276 and 279.

11 Cass to Forsyth, NA/DI.

12 Cass to Forsyth, July 17, 1857, NA/DI.

13 Cass to Forsyth, July 17, 1857, NA/DI.

- 14 Meade, Benjamin, pp. 121-123.
- 15 Cass to Forsyth, July 17, 1857, NA/DI; Forsyth to Cass, Nov. 24, 1857, NA/DD; and Gabriac to Paris, Nov. 27, 1857, in Díaz, Versión francesa, 1:368-374.
- 16 Cass to Forsyth, July 17, 1857, NA/DI.
- 17 Cass to Forsyth, July 17, 1857, NA/DI.
- 18 Forsyth to Cass, Apr. 4, 1857, NA/DI.
- 19 Forsyth to Montes, Apr. 3, 1857, III/(72:73)/1, folio 272, pp. 227-236, ASRE.
- 20 John Appleton, acting secretary of state, to Forsyth, June 18, 1857, NA/DI.
- 21 Forsyth to Cass, unofficial, Apr. 10, 1857, NA/DD. Subsequent despatches repeated this plea for a "reasonable" policy toward Mexico.
- 22 Forsyth to Cass, Sept. 15, 1857, NA/DD.
- 23 Forsyth to Cass, Sept. 15, 1857, NA/DD.
- 24 Forsyth to Cass, Sept. 15, 1857, NA/DD.
- 25 Forsyth to Cass, Sept. 15, 1857, NA/DD.
- 26 Forsyth to Cass, Sept. 15 and Nov. 24, 1857, NA/DD.
- 27 Sebastián Lerdo to Robles, Sept. 1, 1857, H/110 (73:0)"857-858"/1, pp. 540-541, ASRE.
- 28 Forsyth to Cass, Sept. 15, 1857, NA/DD.
- 29 Forsyth to Cass, Sept. 15, 1857, NA/DD and S. Lerdo to Robles, Sept. 1, 1857, H/110(73:0)"857-858"/1, pp. 540-541, ASRE.
- 30 Benjamin and La Sere to Buchanan, Sept. 19, 1857. Copy enclosed with Cass to Forsyth, Oct. 20, 1857, NA/DI.
- 31 Annulling decree, Sept. 3, 1857, in Dublán and Lozano, Legislación, 8:567.
- 32 Forsyth to Cass, Sept. 15, 1857, NA/DD. The contract is contained in Dublán and Lozano, Legislación, 8:567-571 and Juárez, Documentos, 3:382-387.
- 33 Gabriac to Paris, Aug. 26, 1857, in Díaz, Versión francesa, 1:427-428.

34 Forsyth to Cass, Sept. 15, Nov. 24, 1857, NA/DD, and Meade, Benjamin, pp. 121-123. There is nothing to indicate whether or not Benjamin had any "secret power" or commission from Buchanan.

35 Forsyth to Cass, Sept. 15, 1857, NA/DD.

36 Forsyth to S. Lerdo, Sept. 5, 1857; S. Lerdo to Forsyth, Sept. 12, 1857, copies enclosed with Forsyth to Cass, Sept. 15, 1857, NA/DD, and in H/110(73:0)"857-858"/1, pp. 244-248, ASRE.

37 Forsyth to Cass, Sept. 15, 1857, NA/DD.

38 Forsyth to Cass, Sept. 26 and 29, 1857, NA/DD.

39 Forsyth to Cass, Sept. 29, 1857, NA/DD.

40 Forsyth to Cass, Sept. 15 and Nov. 24, 1857, NA/DD.

41 Forsyth to Cass, Sept. 15 and Nov. 24, 1857, contain Forsyth's explanation of events transpiring since the arrival in Mexico of La Sere and Benjamin and enclose pertinent documents. Copies of some of these are found in pp. 244-248 and 540-541, H/110(73:0)"857-858"/1, ASRE.

42 Charges were contained in Forsyth to Cass, Sept. 15 and Nov. 24, 1857, NA/DD and in Benjamin and La Sere to Buchanan, Sept. 19, 1857, enclosed with Cass to Forsyth, Oct. 20, 1857, NA/DI.

43 Diary enclosed with Cass to Forsyth, Oct. 20, 1857, NA/DI.

44 Forsyth's initial defense contained in his despatch of Sept. 15, 1857; his rebuttal to Benjamin's charges in despatch of Nov. 24, 1857, NA/DD.

45 Cass to Forsyth, Nov. 17, 1857, NA/DI.

46 Forsyth's revised plan was first outlined in his despatches of Sept. 26 and 29, 1857. It was further elaborated and refined in the several despatches submitted during Oct. and Nov. 1857, NA/DD.

47 Cass to Forsyth, Nov. 17, 1857, NA/DI.

48 Cass to Forsyth, Nov. 17, 1857, NA/DI.

49 Cass to Forsyth, Nov. 17, 1857, NA/DI.

50 Forsyth to Cass, Nov. 18, 1857, NA/DD.

51 Fuentes Mares, Juárez, pp. 70-72 and Roeder, Juárez, 1:144-148.

52 Forsyth to Cass, Nov. 18, 1857, NA/DD.

53 Forsyth to Cass, Oct. 17, 1857, NA/DD.

54 For Forsyth's specific maneuvers see Gabriac to Paris, Nov. 22, 1857, in Díaz, Versión francesa, 1:438-439.

55 Forsyth to Cass, Nov. 18, 1857, NA/DD.

56 Forsyth to Cass, Nov. 18, 1857, NA/DD.

57 Gabriac to Paris, Nov. 22, 1857, in Díaz, Versión francesa, 1:438-439.

58 Forsyth to Cass, Nov. 18, Dec. 17, 1857, and Jan. 14, 1858, NA/DD.

59 Forsyth to Cass, Dec. 17, 1857, NA/DD.

60 Roeder, Juárez, 1:147.

61 Gabriac to Paris, Dec. 18, 1857, in Díaz, Versión francesa, 1:442-447.

62 Events described in Walker Fearn, secretary of the American legation, to Cass, Jan. 1, 1858, NA/DD; Roeder, Juárez, 1:148-153; and Fuentes Mares, Juárez, pp. 73-74.

63 Gabriac to Paris, Dec. 28, 1857, in Díaz, Versión francesa, 1:447-448, and Forsyth to Cass, Jan. 14, 1858, NA/DD.

64 Description of events based on the several American despatches, Jan. 14-29, 1858, and French despatches, Dec. 28, 1857-Feb. 10, 1858, in Díaz, Versión francesa, 1:447-459. Preparations for Comonfort's flight in French despatch, Nov. 22, 1857, in Díaz, Versión francesa, 1:438-439.

65 Gabriac to Paris, Nov. 22, 1857, Jan. 5 and 12, 1858, in Díaz, Versión francesa, 1:438-439 and 451-456; and passenger lists, Veracruz, in "Movimiento marítimo," tomo 38, legajo 10, AGN.

66 H/653"857"/1, ASRE; Butterfield, Steamship Line, pp. 9-10; Manuel Silicio, minister of fomento, to Forsyth, Jan. 5, 1858, in NA/DPR/FM; and vol. 3, NA/RBO.

67 Mata to Ocampo, Aug. 15, 1859, 8-4-134, AHINAH.

68 Luis G. Cuevas, foreign minister of conservative government, to Robles, Feb. 17, 1858, H/110(73:0)"857-858"/1, p. 592, ASRE.

- 69 Forsyth to Cass, Jan. 14, 1858, NA/DD.
- 70 Smart, Viva Juárez. pp. 168-170.
- 71 Diccionario Porrúa, 1:875.
- 72 Forsyth to Cass, Jan. 29, 1858, NA/DD.
- 73 El heraldo (Mexico City), Jan. 23, 1858, carried a complete listing of the Juárez cabinet.
- 74 Forsyth to Cass, Jan. 30, 1858, NA/DD.
- 75 Forsyth to Ocampo, Jan. 30, 1858, pp. 31-32, H/110(73:0)"858-859"/1, ASRE.
- 76 Ocampo to Forsyth, Jan. 26, 1858, in H/110(73:0)"858-859"/1, p. 4, ASRE, and Ocampo to Forsyth, Jan. 30, 1858 in DPR/FM, NA.
- 77 February 1, 1858, in NA/DPR/FM.
- 78 February 2, 1858, in NA/DPR/FM.
- 79 NA/DPR/FM.
- 80 Buchanan, Buchanan's Administration, pp. 268-269.
- 81 Stuart A. MacCorkle. American Policy of Recognition towards Mexico (Baltimore: Johns Hopkins Press, 1933), p. 48.
- 82 Fuentes Mares, Juárez, pp. 74-76.
- 83 Ocampo to Robles, Feb. 10, 1858, pp. 28-29, H/110(73:0)"858-859"/1, ASRE.
- 84 Robles to Cuevas, Mar. 6, 1858, in Colección de documentos ineditos o muy raros relativos a la reforma en México. Obtenidos en su mayor parte de los archivos de las secretarías de relaciones exteriores y defensa nacional, y otros depositos documentales de la ciudad de México y de fuera de ella, 2 vols. (Mexico City: Instituto Nacional de Antropología y Historia, 1957-58), 1:89-91. Robles, a moderate liberal, later returned to Mexico and cast his lot with the conservatives.
- 85 Mata to MRE, Aug. 20, 1858, pp. 65-68, H/100(73:0)"858-859"/1, ASRE; and Mata to Ocampo, Mar. 30, 1858, 8-4-95, AHINAH.
- 86 Mata to MRE, Aug. 21, 1858, p. 70, H/100(73:0)"858-859"/1, ASRE; and Mata to Ocampo, Apr. 20, 1858, 8-4-96, AHINAH.

87 Mata to MRE, Aug. 20, 1858, pp. 65-68, H/100(73:0) "858-859"/1, ASRE; and Mata to Ocampo, May 5 and 20, 8-4-97 and 98, AHINAH.

88 The "Jane McManus Cazneau Papers" at the University of Texas, Austin, contains a brief unattributed biographical sketch of Jane Cazneau in which it is stated Jane boasted of a distant and ill defined kinship with Buchanan. While this kinship could not be verified various pieces of evidence suggest that she had frequent and easy access to Buchanan.

89 Cazneau to Buchanan, June 6, 1858, BP/PHS.

90 Mata to Ocampo, Aug. 21, 1858, 8-4-105, AHINAH.

91 Mata to MRE, Aug. 20, 1858, p. 65-68, H/100(73:0) "858-859"/1, ASRE.

92 Mata to Juárez, Legajo 1, doc. 32, JM.

93 Forsyth to Cass, Jan. 30, 1858, NA/DD.

94 Forsyth to Cass, Feb. 13, 1858, NA/DD.

95 Forsyth to Cass, Mar. 1, 1858, NA/DD.

96 Forsyth to Cass, Mar. 18, 1858, NA/DD, and Forsyth to Cuevas, Mar. 22, 1858, enclosed with Forsyth to Cass, Apr. 3, 1858, NA/DD.

97 Cuevas to Forsyth, Apr. 5, 1858, enclosed with Forsyth to Cass, Apr. 16, 1858, NA/DD.

98 Forsyth to Cuevas, Apr. 8, 1858, enclosed with Forsyth to Cass, Apr. 16, 1858, NA/DD.

99 Forsyth to Cass, unofficial, Apr. 15, 1858, NA/DD.

100 Forsyth to Cass, unofficial, Apr. 15, 1858, NA/DD.

101 Forsyth to Cass, unofficial, Apr. 15, 1858, NA/DD.

102 Forsyth to Cass, May 18, 1858 with enclosed copies of tax decrees of May 15, 1858, and June 1 and 17, 1858, NA/DD. It should be noted that William R. Manning (ed.), in vol. 9 of Diplomatic Correspondence of the United States: Inter-American Affairs, 1831-1860, 12 vols. (Washington: Carnegie Endowment for International Peace, 1932-39), omits from the above despatches all passages which clearly indicated that Forsyth's decision to advise Americans not to pay the tax was a calculated move designed to force the sale of territory or the collapse of the government. This is only the most notable example of an apparent consistent practice followed by Manning of deleting those sections most

embarrassing to the United States. Other significant omissions noted include removal from the despatch of Jan. 30, 1858, of all reference to Forsyth's having made a choice between Zuloaga and Juárez, from that of Apr. 3, 1858, all evidence of Forsyth's joyful reaction to the news of a liberal defeat at Celaya, and the entire unofficial letter of Apr. 15, 1858 (filed with official despatches) in which Forsyth demanded that his government either adopt a policy backed by force or create a protectorate in Mexico and in which he spelled out in considerable detail his efforts to encourage a conspiracy aimed at overthrowing Zuloaga in order to create a government headed by individuals willing to be American tools. These omissions were usually explained by Manning as containing "no new information" or as "dealing with routine administrative matters." Fuentes Mares, Juárez, pp. 84-85, notes the omission from the despatch of June 1, 1858, cited above, of a passage in which Forsyth states clearly that the purpose of opposing the tax is to force the sale of territory or the collapse of the government. Fuentes Mares attributes the omission to Manning's desire to "hide the moral foulness of his glorious ancestors." He does not comment on the fact that Manning was an employee of the department of state.

103 Forsyth to Black, May 22, 1858, copy enclosed with Forsyth to Cass, June 1, 1858, NA/DD.

104 Forsyth to Cass, June 17, 1858, NA/DD; and Gabriac to Paris, June 16, 1858, in Díaz, Versión francesa, 2:22-23.

105 Gabriac to Paris, June 16, 1858, in Díaz, Versión francesa, 2:22-23.

106 Forsyth to Cuevas, May 22, 1858, enclosed with Forsyth to Cass, June 1, 1858, NA/DD.

107 Forsyth to Cass, June 1, 1858, NA/DD.

108 Cuevas to Forsyth, May 25, 1858 enclosed with Forsyth to Cass, June 1, 1858, NA/DD.

109 Forsyth to Cuevas, May 27, 1858, enclosed with Forsyth to Cass, June 1, 1858, NA/DD.

110 Copies in NA/DPR/FM.

111 Forsyth to Cass, June 17, 1858, NA/DD. No record of this conference could be found in Mexican archives and material on Forsyth's relations with the conservative government are extremely spotty.

112 Cuevas to Robles, June 4, 1858, pp. 621-623, H/110 (73:0)"857-858"/1, ASRE.

113 Forsyth to Cass, June 17, 1858, NA/DD.

114 Forsyth to Cass, June 17, 1858, NA/DD.

115 Cass to Forsyth, June 23, 1858, NA/DI.

116 Cass to Forsyth, July 15, 1858, NA/DI.

117 The details of the Migel case as presented in this and the following paragraphs are synthesized from Forsyth to Cass, June 17, 19, and 25, 1858, NA/DD; Gabriad to Paris, June 16 and 19, 1858, in Díaz, Versión francesa, 2:22-25; Migel to Cass, July 22, 1858, pp. 21-22, H/110(73:0)"858-859"/1, ASRE; and Cuevas to Robles, June 18, 1858, pp. 834-837, H/110(73:0)"857-858"/1, ASRE.

118 The notes exchanged were enclosed with Forsyth to Cass, June 19, 1858, NA/DD.

119 Cass to Forsyth, July 15, 1858, NA/DI.

120 Joaquín María de Castillo y Lanzas, conservative MRE to Mexican minister, Paris, Aug. 31, 1858, H/323(73:72)/109, ASRE.

121 Cass, undated endorsement, to Robles of letter, Migel to Cass, July 22, 1858, pp. 21-22, H/110(73:0)"858-63"/1, ASRE.

122 Forsyth to Cass, July 1, Aug. 1 and 31, 1858, NA/DD; Castillo y Lanzas to Robles, Dec. 18, 1858, p. 815, H/110(73:0)"857-858"/1, ASRE; and Castillo y Lanzas to Mexican minister, Paris, Aug. 31, 1858, H/323(73:72)/109, ASRE.

123 MRE to Mate, June 19, 1858, pp. 40-43, H/110(73:0)"858-59"/1.

124 Mata to Ocampo, July 13 and 14, 1858, 8-4-101 and 102, AHINAH.

125 Mata to Ocampo, Sept. 26, 1858, 8-4-108, AHINAH.

126 Mata to Ocampo, Aug. 19, 1858, 8-4-104, AHINAH.

CHAPTER V
THE LIBERALS' QUEST FOR RECOGNITION AND CREDIT

The Buchanan administration used the opportunity presented by Forsyth's suspension of relations to make a cautious reassessment of how best to achieve its objectives in Mexico. Demands for action were growing steadily in both congress and the press. Unsettled claims, border raids, and injuries to American citizens and their property resulting from the civil war kept the Mexican situation in the public eye. Buchanan came to feel that a direct purchase might not be the best method of achieving his goal. Instead, he suggested the establishment of a military protectorate over the frontier regions of Mexico. When congress refused to grant the authority for military occupation he turned his attention to the liberal government in Mexico. Knowing that the liberals saw American recognition as the essential precondition for obtaining desperately needed financial resources, Buchanan, using the threat of a military protectorate as a lever, opened discussions with the Juárez government in hopes of securing territory in return for recognition.

The financial distress of the Juárez administration was such that, while it was not willing to sell territory, it would accede to almost any other American demand to secure recognition. Aware of Buchanan's determination to acquire

Baja California, Sonora, and other frontier regions, the Veracruz government encouraged him to believe that boundary changes would follow recognition. The liberals believed that recognition would give them access to American financial resources which would allow them to terminate the civil war while also resisting American demands for territory. This policy was risky; conditions could force them to sell territory. Such a risk was acceptable because of their desperate need for American credit and because they felt that recognition would cast a protective American shadow over the Veracruz government, decreasing the likelihood of European intervention. The policy also reflected the liberal belief that recognition would be followed by closer economic ties with the United States which would assist in the task of reforming and modernizing the Mexican economy. American recognition, which would end the diplomatic isolation of the liberal government, was thus seen by the liberals not only as essential for a successful prosecution of the civil war but as vital to the reform program.

The reform program, so carefully elaborated during the previous years, had to be temporarily laid aside as the liberals fought for survival during 1858. The constitutional government established by Juárez at Guanajuato in January of 1858 was so hard pressed for several months that avoiding capture was its principal concern. Forsyth observed that had he recognized Juárez, "I would have become an itinerant representative in quest of the Govt. of my recognition."¹ Failing

to understand the reasons behind their peregrinations, Forsyth condemned the conduct of Juárez and his cabinet as indecisive and imbecilic. He confidently predicted after the liberal defeat at Celaya in March that "the constitution of 1857 has sunk never to rise again."²

What Forsyth failed to understand was that the liberal regime was seeking to escape from western Mexico to the liberal stronghold at Veracruz. On April 11, 1858, Juárez and his cabinet began a slow and circuitous trip from Manzanillo to Veracruz, via Acapulco, Panama, Havana, and New Orleans. This trip, made aboard American steamers, brought Juárez to Veracruz on May 4.³ Only after reaching this haven could Juárez and his colleagues begin to devote attention to the problems of civil war and diplomatic relations.

The foreign policy adopted by the liberals, as noted in the previous chapter, was directed toward the United States and toward the achievement of two primary objectives-- recognition and credit. Mata was sent to Washington to secure these objectives and when neither were forthcoming, friendly Americans were commissioned to assist Mata. La Sere and Zerman were authorized to raise loans and to create propaganda favorable to the liberal cause. Butterfield was similarly commissioned, but his greatest contributions came indirectly as a product of his efforts to promote congressional support for his Gulf mail steamship line.

Butterfield needed American support for the steamship line which he had contracted with Comonfort to operate

between American and Mexican ports. To support his request for an indirect subsidy in the form of a \$200,000 mail contract, Butterfield presented the appropriate congressional committees with petitions from merchants in Mexico and other material designed to show that the American economy would reap great benefits from the steamship operation. He argued that Mexican commerce would be more valuable to Americans than the possession of Cuba.⁴ Mexico, he argued, produced everything which Americans imported from Cuba, plus precious metals. Mexican agriculture production, heretofore limited to domestic consumption, would expand rapidly under the stimulant of the steamship line and American entrepreneurship. He estimated that Mexico could export \$40 million worth of sugar and \$30 million of coffee each year. The export of tobacco, indigo, cochineal, vanilla, and cocoa could also be increased. Not only could Mexico replace Cuba as a source of supply but its much larger population offered a greater potential market for American goods.⁵ Using arguments similar to those employed by Forsyth to support an economic protectorate, Butterfield argued that the United States could replace Great Britain as the dominant economic force in Mexico. He portrayed American domination of Mexico as only the first step toward establishing American economic control over all Latin America.⁶

Butterfield found strong support for both his steamer proposal and for American economic penetration of Mexico. In the senate the subsidy proposal received inter-sectional

support. Senators from Texas, Louisiana, Alabama, Minnesota, Vermont, and Massachusetts spoke in favor of the mail subsidy. The senators seemed most impressed by the potential of the steamer line to promote American commercial interests in Mexico and the Caribbean. Different versions of the subsidy measure were approved in each house, but the project failed when the two houses could not reach a compromise.⁷

The Cazneaus also performed valuable public relations chores for the liberal cause. The general and his wife were well-known and influential in Washington's political circles; Jane Cazneau apparently had ready access to Buchanan. The Cazneaus, who were already experienced in speculative ventures in Spanish America, doubtlessly saw the Mexican situation as offering numerous opportunities for the speculator with good political connections. By interceding with Buchanan on Mata's behalf and using Jane's journalistic talents to gain favorable publicity for the liberal cause, the Cazneaus created Mexican obligations for future use.⁸

The combined efforts of Mata and his American friends, however, did little to change the basic attitudes of the Buchanan administration. Despite growing evidence of sympathy in congress and the press for the liberal cause and for the pursuit of economic goals, Buchanan was not prepared to abandon his drive for territory and for control of the transisthmian transit routes. He continued to see these objectives as achievable by either of two methods, by purchase or by settlement of large numbers of Americans in the

subject areas. American settlers in a transit zone would facilitate, if not insure, American control of that area, while in areas which the United States wished to annex a large American population could result in annexation by the will of the inhabitants, as had happened in Texas.

In his public addresses Buchanan constantly linked these two objectives with their alternative methods of achievement. In his inaugural he had referred to an American right to expand "by fair purchase or . . . by the voluntary determination of a brave, kindred, and independent people to blend their destinies with our own."⁹ After the panic of 1857 seriously depleted the treasury, Buchanan placed greater emphasis on "peaceful emigration" as a means of securing American control over communications routes in the isthmian area. To protect American treaty rights in Central American and Mexico and to create conditions which would encourage American settlers, Buchanan requested special congressional authority to use American land and sea forces in the area.¹⁰ In the first annual message in December 1857 and a special message on January 7, 1858, Buchanan condemned filibustering as counterproductive to American policy, which was to facilitate "our race to spread themselves over the continent of North America . . . [as a means] to open and . . . protect every transit route across the Isthmus." The Walker expedition to Nicaragua was condemned for having adversely affected American influence in Central America.¹¹

The chaos accompanying the fall of Comonfort combined

with the presidential ambitions of Senator Sam Houston of Texas served to focus attention again on the question of a protectorate in Mexico. On February 16, 1858, Houston, with an eye on the 1860 presidential elections, introduced a resolution calling for an inquiry into the "expediency of . . . maintaining an efficient protectorate . . . [in order] to secure to the people of said States [Mexico and Central America] the blessings of good and stable republican government."¹² Although no action was taken on this resolution, it presaged a new spate of press demands for official intervention or increased filibuster activity.¹³ In April Houston reintroduced an amended version of his earlier resolution in which all reference to Central America was deleted.

Houston's project was designed to divert attention from sectionalism and secession. He linked his protectorate proposal to the successful Canadian reciprocity agreement. Reciprocity had secured the northern frontier and hopefully set the Canadian provinces on the road to eventual voluntary annexation. Mexico, however, was an "international outlaw" whose people were incapable of self-government and unsuited for annexation. Nevertheless, the Southwest deserved a secure frontier. To protect its inhabitants from the anarchy endemic in Mexico, to prevent filibustering activities, and to forestall a dangerous European intervention, the United States had "no alternative . . . but to arrange plans immediately for ruling her [Mexico] wisely, and, as far as possible, gently."¹⁴ Feeling that Houston's primary objective was to

secure national attention preparatory to launching a drive for the presidency, Senator Seward had his speech printed and his resolution tabled.¹⁵

Although Houston failed to gain favorable senate action on his resolution, he continued publicly to advocate a protectorate. He solicited and received a favorable reaction from the English bondholders association to the project.¹⁶ In the senate he hinted at independent Texas action if the national government did not act.¹⁷ In Texas, where he was candidate for governor, Houston gave his project a decidedly more sectional coloring. A temporary protectorate would allow for suppression of Indian raids, the recovery of fugitive slaves, and the spread of slavery into the central valley of Mexico. After a period of Americanization under the protectorate additional slave states would be ready for voluntary annexation.¹⁸

While Houston failed to secure any of his goals, he may have contributed to Buchanan's decision to request congressional approval for an American military protectorate over the frontier provinces of Mexico. In the 1858 state of the union message Buchanan analyzed the problems existing in relations with Mexico. He reviewed in misleading detail Forsyth's dealings with the conservative government in Mexico, particularly Forsyth's failure to secure satisfaction for American claims--estimated at \$10 million. He described the disastrous effects of the civil war upon Americans and their property and the illegal measures taken by both parties to

extort money from the foreign community. His harshest words, however, were reserved for the conservatives, against whom, he felt, "abundant cause now undoubtedly exists for a resort to hostilities." Only if the "constitutional party" should prevail did Buchanan see hope of avoiding war.¹⁹

Interpreting the president's power as commander-in-chief in a very restricted way, Buchanan pictured himself as helpless unless given specific authority by Congress. He repeated the request made the previous year for authorization to use land and naval forces to protect American interests in the Nicaraguan transit, adding Panama and Tehuantepec to this request. In the case of Mexico his plea for permission to use military force was cast in more urgent terms. If the constitutionalists lost the civil war, Buchanan warned, the only avenue open for the satisfaction of American claims would be the seizure of Mexican territory of equivalent value. But, until the civil conflict was resolved, Buchanan was not prepared to make this request. In the meantime, to protect the American Southwest from the ruinous effects of lawlessness and uncontrolled Indians along the frontier, Buchanan asked for authority to establish a temporary military protectorate over the northern portions of Sonora and Chihuahua.²⁰

The proposal for a military protectorate was an ingenious approach to achieving Buchanan's Mexican objectives. While Buchanan referred to the many complaints against raids by Indians and lawless elements across the frontier to justify his request for special powers, these raids were occurring

mainly along the lower Rio Grande opposite Tamaulipas and Coahuila not in the uninhabited regions adjacent to Sonora and Chihuahua. It was hardly coincidental that the areas Buchanan wished to occupy were those which Forsyth had been instructed to purchase. Military occupation of these regions would enhance Buchanan's bargaining position regardless of which side emerged victorious in Mexico. If hostilities became necessary, the string of forts he proposed to erect in the occupied regions would become invaluable staging areas for an invasion of Mexico. Finally, given Buchanan's frequent endorsement of the right of people to voluntarily unite with the United States, his verbal assurances that the governments of Sonora and Chihuahua would welcome the American occupation as a means of bringing order and security to the region suggest that he foresaw annexation by the will of the people.

Buchanan's espousal of a military protectorate following so hard on Houston's related demand spurred considerable public support for the scheme. The foreign ministry in Mexico City compiled a large file of articles from the American press favorable to the project, many suggesting that the British would cooperate in executing such a proposal since it offered protection to their bondholders and an enlarged market for their manufactures.²¹ Congress, deeply engrossed in the issue of Kansas and slavery and fearful that a protectorate would actually serve the sectional interests of the South and West, refused to give serious consideration to Buchanan's proposal.

Despite the failure of congress to endorse the protectorate project, Buchanan was moving toward breaking the impasse in Mexican-American relations. For months while he studied the situation, he had been able to excuse his inactivity on the need to confer with Forsyth before determining a new course of action. Forsyth's dilatory return for Mexico had allowed for months of welcomed inactivity, during which Mata and Robles, representing the competing Mexican factions, bided for American favor.²² Pressures on Buchanan to take action favorable to the liberal cause had been mounting. New York bankers, interested in loans to the liberals, were insisting that recognition precede their loans.²³ Also propaganda activities in favor of closer commercial ties, rather than territorial expansion, were endangering Buchanan's position.

Forsyth's return to Washington in December 1858 not only removed Buchanan's excuse for inaction but raised difficult problems which had to be settled. Forsyth expected to return to Mexico as American minister. Before leaving his post he had written demanding that as a matter of justice serious consideration be given to his proposals for a Mexican policy based on economic and commercial considerations. Charging that his personal honor and "reputation as a public man" were at stake, Forsyth asked to be sent back at least for a limited period and allowed to resign his mission voluntarily under favorable circumstances. To avoid seriously weakening his control of the party Buchanan had to

handle this problem carefully. Apparently he decided upon a policy of indirection and delay. In meeting with Forsyth, Buchanan was vague and noncommittal. In the state of the union address, mild praise for Forsyth's handling of the Mexican mission was coupled with a clear denial that the tax measure over which Forsyth had broken relations constituted a forced loan. Further conferences with Forsyth were denied, and Forsyth was left to fume in limbo. When in frustration Forsyth resigned his post, effective March 2, 1859, Buchanan had accomplished his objective without having taken overt action for which he could be held politically responsible.²⁴

While terminating his troubled relations with Forsyth, Buchanan was probing to ascertain which faction would pay the highest price for American recognition. Butterfield, who had close ties with the liberals and whose contract was valueless unless they were successful, was invited to submit his views.²⁵ Even Forsyth was utilized to explore with Mata just how far the liberals were willing to go in seeking recognition. Mata, realizing the nature of the contact, sought to create the impression, without making any specific commitment, that the liberals were ready to meet every American demand.²⁶ On December 21 the cabinet considered without decision the question of recognizing a government in Mexico; the following day Forsyth again called on Mata to explore possible steps to achieve recognition of the liberals; and on December 23 Cass granted Mata a long interview and invited him to dinner. Cass indicated that the cabinet was still

undecided but leaning in favor of liberals. While Mata was thus being encouraged, Buchanan informed an unidentified friend of the Veracruz government that recognition would not be granted until Robles returned from Mexico City with new offers from the conservatives relative to Chihuahua and Sonora.²⁷

This story of Robles' impending return, for which Mata could find no source, raises interesting questions. At the time that Buchanan was confidently predicting his imminent return to Washington, Robles was in the midst of an unsuccessful attempt to seize control of the conservative government in Mexico City.²⁸ Since Robles was the same individual who, on behalf of unidentified high American officials, had brought a proposal for an American protectorate to Mexico in 1855 a strong presumption is raised that he was again acting in concert with responsible American officials. That Buchanan was this official is indicated by his having kept another special agent ready to travel to Mexico City to close a land purchase deal until January 20, 1859.²⁹ If this were the case, and the present writer is inclined to give it great credence, then Robles may have attempted to improve upon his understanding with Buchanan by staging a coup while in Mexico rather than just serving as an intermediary.

Despite Buchanan's efforts to keep his options open, events were driving him toward recognizing the Juárez government. During the previous September the American merchants of Veracruz and Tampico had petitioned Washington to station

naval vessels off Mexico's Gulf ports to protect American lives and property.³⁰ The subsequent visit of the Saratoga produced a good reaction from the public and from the liberal government. Following hard on the visit of the Saratoga came news of Buchanan's annual message which Veracruz officials chose to see in the best possible light. No threat was seen in Buchanan's harsh words. Instead, they chose to emphasize the section in which Buchanan declared that the United States would extend its protection to Mexico before it would allow Spain to re-establish her dominance in the area. If the liberals had to choose between an American or European protectorate, there was no doubt which would be more popular.³¹

Liberals' interest in an American protectorate was enhanced by their fears that conservatives were in the process of acquiring French aid, a fear strengthened by the French minister's practice of boasting of his influence over the Zuloaga government. Forsyth had never tired of sounding the alarm that the conservative leaders were mere tools of the evil Frenchman "M. De. Gabriac."³² Zuloaga had approached Gabriac in August requesting that France take the lead in establishing an understanding with Spain and Great Britain which would assure the conservatives of credit, French mercenaries, and a French general "who would discipline us, beginning with me."³³ Using the same arguments which Alamán and Santa Anna had advanced five years earlier, Zuloaga insisted that it was in the interest of Europe to build up Mexico as a counterweight and barrier to American power. The

liberals and anglophobe Americans were apparently unaware that the foreign office saw the American annexation of Mexico as a plus for British interests--it would stimulate British trade, and that France would not act without British support.³⁴

Despite efforts to secure European protection, the conservative regime had not shut the door completely to an understanding with the Americans. Through Robles steps were taken to retain a semblance of diplomatic interchange with the Americans and to prevent aid to the liberals. Although Zuloaga claimed that his attempts to secure credit and arms from the Americans were designed only to mislead the Yankees as to the true intentions of the conservatives,³⁵ it is unlikely that a generous offer of American money would have been refused. If it were a trick intended to deceive the Americans, it worked. Buchanan continued to hold open his options until the last moment hoping that the conservatives would make a better offer than the liberals.

To ascertain more firmly just how far each Mexican group would go to secure American recognition, and possibly to learn what had happened to Robles and any proposals which may have been pending with him, Buchanan appointed a special agent to go to Mexico. On December 27, 1858, William M. Churchwell, a little-known individual from Tennessee, was commissioned to make an evaluation of the contending factions in Mexico. Although American sympathies were said to be with the liberals, Churchwell was directed to determine the strength of both Juárez and Zuloaga and recommend which

should be recognized.³⁶ This mission appears to have been a last effort to secure a higher bid for American recognition.

Churchwell's Mexican tour had a whirlwind character. He arrived in Veracruz on January 19, departed for the interior on the 21st, visited Jalapa, Perote, Mexico City, Orizaba, and Cordova before returning to Veracruz on February 2³⁷. This trip into conservative territory before any extended discussions with the liberals was doubtlessly meant to raise doubts in liberal minds as to the policy which the United States would follow and thus increase their willingness to make concessions. The trip certainly upset Twyman, the American consul at Veracruz. Twyman submitted a strong plea to Washington for immediate recognition of the liberal regime. Using arguments that echoed Forsyth's earlier efforts, Twyman advised a liberal and generous policy toward the Veracruz government.³⁸ The character of this despatch differed so radically from others submitted by the alcoholic Twyman and its contents were so attuned to the ideas of the liberals that one must wonder if he had more than a copyclerk assisting him.³⁹

Twyman's despatch, regardless of the extent to which it may have represented the ideas of its putative author, constituted an eleventh hour appeal for Buchanan to abandon his policy of territorial expansion and to deal with the Veracruz government on a reasonable basis. Recognition and the exchange of ministers would give Juárez a "moral force" sufficient to insure a complete liberal victory within sixty

days. Washington was reassured of the pro-American sentiments of all the prominent liberals.

The liberal party are struggling to maintain a Constitution and Government as nearly assimilated to those of the United States, as the condition of Mexico and her people will permit . . . The leaders . . . feel most kindly towards the United States, because they believe that our Government and people sympathise with them in this struggle. When that party is again triumphant . . . the United States can readily negotiate a most advantageous treaty with it; and if that treaty and an alliance were entered into, offensive and defensive, not only as to foes from abroad, but revolutionists and traitors from within, it would give permanent peace to Mexico and stability to her institutions. Such an alliance would constitute a firm foundation upon which the Democracy of Mexico, under the advice and influence of the United States, could go on to build up a Democratic Republican Government, which would stand side by side with that of the United States, and each would give to the other an additional strength that could never be shaken.

This course of policy would throw open the doors of Mexico to immigration, and the Anglo-Saxon race (Americans) feeling secure in their lives, liberty and property, would pour in upon the productive soil and the rich mines of Mexico, and with their capital, their industry, their energy and their skills in mechanics, arts and the sciences, would soon open a new and magnificent world, in this beautiful country. . . . This policy would give to the United States a controlling influence, not only over the commerce and trade of Mexico, but over her political institutions--and, in twenty years, the two Republics would stand together, as one nation and one people.

Few Mexican liberals, regardless of how intoxicated they may have been with the possibilities of development, ever painted a more vibrant picture of Mexico's future. The sentiments appear to be purely Mexican. Few Americans were sufficiently free of nationalistic and racist feelings as to wish to see Mexico and the United States standing side by side as equals, "as one nation and one people."

Certainly Buchanan and most Americans wished to profit, either economically or territorially, from Mexico's weaknesses rather than build her into an equal. Twyman, who had enough political influence to land the consularship of Veracruz, must have known that Buchanan had never shown any interest in securing commercial and economic advantages. Pleas for hemispheric brotherhood, a hemispheric Monroe Doctrine, although frequently expressed by Mexican liberals was notably lacking in American adherents.

In contrast to his message of a month earlier, in which he had reported a generally warm liberal response to Buchanan's state of the union message, Twyman now reported that the message had caused great consternation among leading liberals. Nothing was more likely to unite the opposing factions in Mexico and to drive them into the arms of the French and Spanish, he warned, than an American attempt to occupy Sonora, Chihuahua, or other frontier areas. He stressed the determination of the liberals to resist all demands for territorial cessions. To add weight to the plea Twyman, or those helping him, included a statement that all intelligent Americans in Veracruz concurred in his recommendations, including Captain Turner of the war sloop Saratoga now in port.

Churchwell gave no explanation of the conversations he may have had with the conservative leaders during his sojourn in the interior. Upon his return to Veracruz he informed his superiors that he had visited the camps of both

parties and was ready to recommend the recognition of the Juárez government. Miramon and Zuloaga were dismissed as usurpers while Juárez was president by virtue of the constitution. In view of this, Churchwell argued, there existed "no valid reason" why Juárez should not be recognized in Veracruz "just as though he were at the city of Mexico." He stressed the widespread support he had encountered for the liberal cause. He was particularly impressed by the willingness of the liberal soldiers to remain in arms despite lack of food, supplies, and pay. After numerous defeats, the liberals were still able to raise large armies of willing volunteers. "Although it may be an experiment," he asserted, "we have no alternative left but the immediate recognition of the Juárez Government."⁴⁰

The recommendation for recognition did not mean that the liberals were agreeable to all the American demands. In fact, Churchwell was convinced that the acquisition of territory would be very difficult. "If we shall satisfy them that we are not inclined to despoil them of their territory," the liberals will "adopt us as their virtual Protector." The liberals were making the same presentation to Churchwell that had been so effective with Forsyth but so ineffective when made to Buchanan by Mata. The rich soils and valuable mineral resources of Mexico were being offered for American exploitation. The liberals were also willing to grant perpetual transit rights across northern Mexico from Texas to the Gulf of California and to combine these with vast

quantities of lands to assist American companies to build railroads along these routes.

Churchwell was favorably impressed with the liberal idea of a protectorate. After several interviews with Juárez and the cabinet Churchwell was convinced that "the maintenance of the Liberalists in power is an object worthy of the ardent moral co-operation of our Government. . . . A new phase in Mexican nationality is now a positive necessity, and that phase, if we are not utterly deaf to the dictates of common sense, must be our own creation. . . . The present condition of affairs in Mexico affords the best and it may be, the last opportunity which will ever be presented to the United States" to establish its undisputed dominance over Mexico. He noted that Miramon was planning a new siege of Veracruz and reported confidently that the liberals were enticing him to do this so that their armies from the west could fall upon Mexico City during his absence. If this happened the liberal support, which was growing every day, would become so great that the liberals would no longer need to make great sacrifices to secure American recognition. "The occasion is one which should be improved without the intermission of a single hour of unnecessary delay."

Churchwell appears to have fallen under the influence of Lerdo and Ocampo, for his subsequent communications were filled with glowing references to these two, to their roles in the Reforma, and to their pro-American sentiments. He described Ocampo and Lerdo as intellectuals who dominated the

cabinet and who had drawn up a liberal program of action which included a definite break between Church and state and the nationalization of church property. Lerdo was described as the most practical of the puros and "All-American" in his political views. "We should look up to him as the man most reliable in his preferences for us; open, bold and always ready to approach a question and to assume a responsibility."⁴¹

A comment on Lerdo by Churchwell has led some scholars to challenge the veracity of all his statements. In his February 22nd letter to Buchanan, Churchwell referred to Lerdo parenthetically as being in the cabinet "by the suggestion of your Agent." Since Lerdo became minister of hacienda on January 2, over two weeks before Churchwell's arrival in Veracruz, the referenced statement is obvious false if he was claiming credit for Lerdo being in the cabinet. Assuming that this is what he meant, scholars have tended to discount most of his reports as fabrications designed to exaggerate his own importance and to please his superiors in Washington.⁴² While there are some inaccuracies in Churchwell's reports, he underestimated Juárez's age by some eight years, and exaggerations, he accepted the liberal claim that the church property was worth at least \$300 million, the general tone and content of his reports accurately reflect the sentiments of a man who sympathized with the liberal dreams of development under an American protectorate but who realized that this did conform with the expansionist desires of his superiors.

Another possible interpretation of the statement in

question not only removes doubts as to its veracity but throws additional light on the entire Churchwell mission. When Churchwell wrote, "by the suggestion of your Agent," he was referring not to himself but to Forsyth. Lerdo had remained in Mexico City during most of the previous year and had spent much of his time conspiring from within the safety of the American legation. It is possible that Lerdo came out to Veracruz with Forsyth party in late October--Forsyth refused an official escort, securing instead his own private armed party,⁴³ and the conservatives later protested that he had forcibly removed from the area of conservative control criminals and others for whom arrest orders had been issued.⁴⁴ Forsyth, who hoped to return as minister to the liberal government, spent several days in Veracruz where he conferred with members of the cabinet and where he may have promoted the entry of his old friend and recent house guest into the cabinet. In Washington Forsyth assured Mata that he was working "from several directions" to promote recognition. Forsyth probably contacted Churchwell, possibly even briefed him on Mexico for the department of state. While the above suppositions are unsupported by documentary evidence, they conform to the known facts and help explain not only the reference to Lerdo's presence in the cabinet but the speed with which Churchwell made contact with Lerdo and became an advocate of the protectorate scheme which Forsyth and Lerdo had promoted for so long.

Despite his sympathy for the liberals and his

endorsement of their protectorate proposals, Churchwell did not forget that the president's interest was in territory. His insistence on this point produced a protocol agreed to by Ocampo and Lerdo which held out the promise of territory. The protocol identified nine points as the basis for future negotiations. These included a statement that in view of its isolation Mexico was willing to negotiate for the transfer of Baja California to the United States. The remaining points involved a pledge to concede rights of way from Guaymas and Mazatlán to El Paso and the lower Río Grande, a perpetual right of way in Tehuantepec, a stipulation that a portion of any money received by Mexico should be used to extinguish Mexico's British indebtedness, the appointment of commissioners to settle claims, and provisions for closer and less restricted commercial relations.⁴⁵ Other than agreeing to discuss a cession of territory the points were not materially different from those contained in the Forsyth treaties of 1857. Three additional articles were included as desired by the United States but not agreed to by Mexico: free entry into Mexico of all goods intended only for transit, a treaty specifying the means to be used in protecting and defending transit routes, and a transit privilege from the Gulf of California northward into Arizona.

In his letter to Buchanan of February 22, Churchwell concentrated on the liberals' need for American aid, their worthiness to receive it, and the benefits which Americans would enjoy as a result. He included reports on Mexican

economic conditions, commercial prospects, and the resource potential of Sonora and Chihuahua when opened by American railroads. He also provided extracts of the liberal reform program. He stressed that a desire to liquidate the heavy debts of Mexico figured into the plans to nationalize church property. The British convention debt was particularly noted as having a detrimental effect on Mexico. A large percentage of Mexican custom revenues were committed to service this debt. This assignment denied Mexico adequate funds for governmental expenses and allowed the British to intervene in Mexican tariff matters. Churchwell saw the paying off of the British debt from the compensation received from the United States as an essential step in the creation of an effective but indirect American protectorate.⁴⁶

While the liberals in Veracruz worked to insure that Churchwell's report would be favorable, Mata was busy in the United States with measures to force Buchanan's hand. Hoping to take advantage of newspaper predictions of an impending change in American policy, he hurried to New York in search of credit soon after Churchwell departed for Mexico. If he could secure a large private loan, he believed that Buchanan would be forced to abandon his dilatory tactics and recognize Juárez without extorting pre-conditions.⁴⁷ When such a loan again proved to be unattainable, Mata renewed his advice that the liberals must make whatever sacrifice might be necessary to secure recognition and credit.⁴⁸ If it involved selling Baja California, he felt the sacrifice

must be made (Mata suggested a price of \$20 million). He also hoped that the transits across northern Mexico, in which the Americans were showing increasing interest, would bring a good price. Although Mata's letter arrived too late to influence the liberals in their dealings with Churchwell, his views were already well known by his colleagues in Veracruz. In July of the previous year, Mata had written that treaties must be arranged with the United States which would bring money to the liberals and would force the Americans to assume some responsibility for guaranteeing Mexican sovereignty. He hoped that Americans would purchase transit rights in the north under conditions which would require them to protect that area from filibusters.⁴⁹ In November he had returned to Veracruz for consultations and had presented his views in person.

The liberals were doing quite well in Veracruz without benefit of Mata's advice. They had been forced to include a territorial concession in the protocol, but to counterbalance this they had converted Buchanan's special agent into a firm advocate of an economic protectorate. Juárez was so pleased with Churchwell and his sympathetic attitude that he directed Mata to secure Churchwell's appointment as minister.⁵⁰ Mata's efforts were unsuccessful; but he reported that Robert M. McLane appeared to be an equally acceptable choice.⁵¹ Mata noted, in a private letter to Ocampo, that McLane was an intimate friend of Juárez' old friend La Sere.⁵² The liberals were not slow to find any connections which might give them additional leverage.

Events were forcing Buchanan to act. Had congress responded favorably to his request for a temporary protectorate over Sonora and Chihuahua, he would have been able to increase the price for American action; but the senate rejected the request in February by a vote of thirty-one to twenty-five.⁵³ To counter this defeat, he made a special plea to congress for authority to use the naval forces to protect American citizens and property in Mexican ports.⁵⁴ Whatever he had hoped to gain from Robles' return to Mexico was obviously lost. In January the British and French fleets staged a joint demonstration off Veracruz demanding debt settlement which appeared to be suspiciously well coordinated with the conservative attack. If the conservatives should win with the aid of European powers there would remain no hope of achieving his Mexican objectives. On the other hand, if, as Churchwell and Mata assured him, the liberals were preparing to fall on Miramon's rear in a successful operation to end the civil war, the liberals would be in a stronger position to bargain for recognition. Mata reported that Buchanan was all "irresolution and fear."⁵⁵ The resignation of Forsyth had removed the last excuse for inaction.

Despite having been disappointed so many times on securing speedy American recognition, even Mata now believed that American recognition would come automatically. The official report would arrive from Churchwell, the cabinet would consider the question, and he would be invited to present his credentials to the president. But Mata was to be disappointed

again. After the cabinet had agreed on recognition, Buchanan found a means to delay the act. McLane was instructed to determine if a de facto government existed and authorized to recognize such at his discretion.⁵⁶ The entire question was reopened and responsibility for action shifted to a subordinate. Mata who had made preparations for the long-awaited ceremony fumed at the new delay. He charged that Buchanan was so anxious to secure every possible advantage and to avoid responsibility if anything went wrong that news of Miramon's appearance outside Veracruz with a large army had frightened Buchanan into this unusual maneuver. McLane was empowered to recognize Juárez, Miramon, or no one. Mata helped prepare McLane with letters of introduction to the liberals in Veracruz; the conservative government's chargé in Washington was informed that relations were being broken; and McLane departed for Veracruz to ascertain if any government worthy of recognition existed in Mexico.⁵⁷

Fearing that Miramon might be able to capture Veracruz, Buchanan issued unusual orders to McLane. Not only was he authorized to recognize either government or neither, but he also permitted to keep the legation aboard the American naval vessel Savannah anchored at Sacrificios for as long as he deemed it advisable. As for his specific objectives, McLane was referred to the instructions given Forsyth in July 1857. Despite the talk of a protectorate, Buchanan's goals had not changed; the purchase of Baja California, Sonora, and Chihuahua and a strong position in the Tehuantepec transits

were still the American objectives. If the cession of Baja California and transit rights in northern Mexico and Tehuantepec proved to be the only attainable items, McLane was empowered to offer \$10 million.⁵⁸

When McLane arrived at Veracruz on April 1st he not only found the liberal government still in existence but angered that recognition had not already been granted to Mata in Washington. The conservative siege had been lifted, and the liberals were now prepared to consider recognition to be still an open question. Ocampo took the position that since Mata had not been recognized any understandings reached with Churchwell were no longer operative. McLane began a campaign to force the liberal government to recognize the Churchwell protocol as binding. Ocampo asserted that a commitment to sell Baja California was inadmissible, that several other points were objectionable, and that the United States was unfairly attempting to put a price tag on its recognition. McLane denied the latter charge, claiming that he was only making proposals which his predecessor had already presented.

During a hectic week of negotiation a compromise basis for recognition was settled upon. McLane summarized the points of the Churchwell protocol in a note to Ocampo and required its acceptance prior to recognition. Ocampo replied that "Churchwell correctly informed the president . . . by assuring him: 1st that there exists in Mexico a government in possession of the political right to adjust in an honorable and satisfactory manner the questions which were pending

when relations were suspended. . . . , [and] 2nd, That said government is disposed to exercise its political rights . . . with a loyal and friendly spirit.⁵⁹ This statement carefully avoided any mention of specific commitments and only obligated Mexico to settle points in "an honorable and satisfactory manner." While the Churchwell protocol had not been entirely scraped, its terms could no longer be held as indisputable obligations. McLane was afraid to wait any longer; the liberals had successfully withstood the attack of Miramon and were now confidently claiming that their western armies were descending upon an undefended Mexico City. Fearful that a liberal victory would deny him any bargaining power, McLane hastened to grant formal recognition of April 6, 1859.⁶⁰

McLane felt that recognition of the Veracruz government under conditions differing from those envisioned in the Churchwell protocol required a full explanation to Washington. He cited four reasons to support his decision: the liberals controlled the Tehuantepec area "in which American citizens have consolidated a large commercial and political interest" and which was vital to American mail shipments to the west coast; all the states bordering on the United States recognized the authority of Juárez; American interests, private and public, in the transit route from Arizona to the Gulf of California were being endangered by the refusal of the Sonora government to recognize the power of the central government over public lands; and finally, the need to protect

American commercial interests in Mexico at a time when British and French fleets were off Veracruz to enforce compliance with commercial concessions granted their subjects by earlier Mexican governments. These factors coupled with the prospects of an early termination of the civil war made it imperative, McLane felt, that he act with dispatch.⁶¹

Three of the four specific grounds cited by McLane for recognition involved protection and promotion of American economic interests, and two of these involved protection of concessions held by people close to Buchanan. The "large commercial and political interest" of Americans in the Tehuantepec transit route referred to the contract secured from Comonfort by Buchanan's powerful friend Judah P. Benjamin. The value of this concession had been enhanced the previous October by a mail contract from the American post office⁶² and by a timely, March 28, modification of its 1857 contract with Mexico.⁶³

The Sonora transit route involved a more recently acquired American interest. On February 3, 1859, William L. Cazneau, husband of the influential editorialist Jane McManus Cazneau--whose pro-liberal writings and assistance in gaining access to Buchanan had been of such service to Mata, applied for a concession to build a wagon road from the frontier to the Gulf of California. Mata recommended the project on its merits as a means of developing and retaining control of the frontier region and on the basis of the great service which Mrs. Cazneau had rendered to the

liberal cause.⁶⁴ The concession, granted (perhaps not coincidentally) on the day McLane arrived at Veracruz, contained generous terms, including free right-of-way through public land and twenty square leagues of land in alternating blocks along the route.⁶⁵ McLane believed that a controversy between the central government and Sonoran authorities over control of public lands endangered the success of the Cazneau grant.

While McLane felt compelled to justify to Washington the bases upon which he had extended recognition, Juárez felt compelled to reassure liberal supporters that these bases contained nothing detrimental to national honor and territorial integrity. In a circular issued to liberal governors on the day McLane presented his credentials, April 6, American recognition was portrayed as opening "a new era in relations between two people" who shared a common interest in their mutual prosperity and who, by standing together, could defeat the monarchist conspiracy to control the world. The two countries were embarking upon a policy which would bring all the democratic peoples of the world together, would make the Christian ideal of universal brotherhood a reality, and would disprove the Hobbesian belief that war was the natural state of man. Finally, in embarking on this new policy, the liberal government claimed to be in agreement with "the economists who think that a rich and powerful neighbor is worth more, and secures more advantages, than a desert laid waste by poverty and extermination."⁶⁶

American recognition and the liberals' partisan method

of announcing this development provoked a biting protest from the conservative foreign ministry in Mexico City. Forsyth's suspension of relations was attributed to conservative refusal to sell territory and the subsequent American recognition of liberals could only mean that liberals were willing to sell territory.⁶⁷ McLane felt that the stinging conservative protest must be answered and in so doing he weakened his bargaining position. In responding to the conservative charges, McLane made himself and his government partisans of the liberal cause and effectively nullified any possibility of using the threat of withdrawing recognition as a means of pressuring the liberals. By implication he committed the United States to respect Mexican sovereignty and territorial integrity.⁶⁸ This impression was strengthened when Ocampo attached McLane's statement to another circular to liberal governors in which any intention of selling territory was denied.⁶⁹

The re-establishment of diplomatic relations marked the beginning of a new phase in the struggle, with United States seeking to gain the maximum advantage and Mexico trying to give up as little as possible. To Juárez, half the battle must have appeared won when recognition was secured without crippling commitments. Mata had assured Juárez and Ocampo that lack of recognition was the major obstacle to realization of the most immediate goal, the acquisition of credit facilities. Over the previous year Mata had constantly stressed the relationship between

recognition and credit: bankers refused to loan large sums until recognition had been obtained, while without credit the liberal government could not achieve the stability required for recognition. Now that this vicious circle had been broken the gates should be open to private credit. The liberals felt that the United States could not now resist Mexican requests for an alliance, government-to-government credit, and those closer relations which would assure Mexico of continuing stimulants to her economic development.

The Mexican liberals expected American recognition to produce immediate tangible benefits in the form of money. Mata's original instructions issued in March 1858 had directed him to negotiate a loan of \$25 million with the American government as soon as recognition had been obtained. The loan could be secured by a mortgage on church property and must not be connected with any claims settlement or any existing Mexican debt. Mexico would immediately receive \$3 million and the remaining \$22 million would come in monthly installments of \$1 million each.⁷⁰ While there is no evidence that this authority was ever withdrawn, Mexican expectations had become more limited with the passage of time. By April of 1859, the liberals no longer were confident of official American loans, but assumed that recognition would remove the barrier to sizeable private loans which could suffice until treaty arrangements could be made for generous American payment for commercial privileges and transit rights. On April 7 Mata and La Sere were jointly authorized to appoint

Mexican financial agents in New York and New Orleans to handle the expected loans.⁷¹

The lack of harmony between the objectives of the two parties was obvious. Whatever sympathy Americans might have for the liberals' political ideas, reform programs, and development projects had not caused Buchanan to change his goals. Acquisition of Mexico's northwestern region and unrestricted American control of the Tehuantepec isthmus continued to be the key American objectives. Transit rights across northern Mexico with large land grants to the American railroad companies, first offered by Comonfort in September 1857, had aroused little official American interest. Buchanan was willing to pay for transit rights only if they were combined with a cession of territory, at least Baja California.

Buchanan's messages to congress and the instructions issued to McLane make it clear that his ideas of establishing American influence over Mexico were cast in political terms. He saw British and French activities and their influence over the conservative regime as threats to the future expansion of the United States and to the Monroe Doctrine. While the popularity in congress of Butterfield's ideas of a commercial Manifest Destiny and public demands for protection and expansion of American commercial operations in Mexico had made him more responsive to Mexican offers of commercial advantage, Buchanan did not see commercial expansion as a method of blocking European designs on Mexico nor of securing the desired American influence. Buchanan still

held the view that money payments could be made to acquire land but not economic privileges.

Fourteen months after Forsyth had chosen Zuloaga over Juárez and a year after he had announced that the 1857 constitution had sunk forever, Juárez and the government based on that constitution had won a partial but significant victory. Since its creation the liberal government had made American recognition and credit its principal diplomatic objectives. Buchanan, blinded by the desire for territorial expansion, had attempted to deny Mexico either of its goals until a transfer of territory had been assured. In the ensuing diplomatic battle of wits, Washington was defeated by the liberals in the field where its power, that of recognition, was undisputed; the Veracruz government, through skillful public relations work, astute diplomatic maneuvering, and patience, had gained American recognition without alienating national territory.

By delaying recognition, Buchanan made the task of securing credit more difficult for the liberals, but in his zeal to extract the last ounce of advantage from recognition he became a victim of his own deviousness. By attempting to exploit developments in Mexico's civil war he committed himself to forces beyond his control and created a situation in which Mexican liberals could on occasion manipulate or color war news to their benefit. By giving McLane final responsibility to decide the question of recognition, Buchanan provided the Veracruz government with an opportunity to stampede

the American minister into granting recognition quickly and cheaply for fear that any delay would further diminished its value. The Mexican liberals, for whom the civil war had thus far been an unbroken string of reverses, had demonstrated a diplomatic ability which compensated in some degree for their lack of military prowess.

NOTES

- 1 Forsyth, to Cass, Mar. 1, 1858, NA/DD.
- 2 Forsyth, to Cass, Apr. 3, 1858, NA/DD.
- 3 Valades, Ocampo, pp. 341-342; and R. B. J. Twyman Consul, to Cass, May 5, 1858, NA/CD/VC.
- 4 Butterfield, Steamship Line, pp. 9-10.
- 5 Butterfield, Steamship Line, pp. 64-66.
- 6 Butterfield, Steamship Line, pp. 108-109.
- 7 Butterfield, Steamship Line, pp. 79-94.
- 8 Mata to Ocampo, Aug. 21, 1858, 8-4-105, AHINAH.
- 9 Richardson, Messages and Papers, 5:435-436.
- 10 Richardson, Messages and Papers, 5:447-448.
- 11 Richardson, Messages and Papers, 5:466-469.
- 12 Sam Houston, The Writings of Sam Houston, 1813-1863, ed. Amelia W. Williams and Eugene C. Barker, 8 vols. (Austin: University of Texas Press, 1938-43), 7:33-34; and Congressional Globe, 35th Cong. 1st sess., pp. 735-736.
- 13 Robles to Manuel G. Zamora, governor of Veracruz, Feb. 21, 1858, in Colección documentos relativos a la reforma, 1:91-93.
- 14 Houston, Writings, 7:85-86.
- 15 Robles to MRE, Apr. 21, 1858, 6-2-14, ASRE.

- 16 The New York Times, June 18, 1858.
- 17 Llerena Friend, Sam Houston, the Great Designer (Austin: University of Texas Press, 1954), p. 299.
- 18 Houston, Writings, 7:183-185 and 343-367.
- 19 Richardson, Messages and Papers, 5:512-514.
- 20 Richardson, Messages and Papers, 5:514.
- 21 Colección de documentos relativos a la reforma, 1:123-140.
- 22 Mata to MRE, Aug. 20, 1858, pp. 65-68, H/100(73:0)"858-59"/1, ASRE; Mata to Ocampo, Sept. 17, 1858, 8-4-107, AHINAH; and Cass to Robles, Aug. 3, 1858, p. 23 H/110(73:0)"858-63"/1, ASRE.
- 23 Mata to Ocampo, Sept. 10, 17, and 26 and Oct. 2, 1858, 8-4-106, 107, 108, and 109, AHINAH.
- 24 Forsyth to Buchanan, Feb. 7, Mar. 14, and 20, 1859, BP/PHS, and Richardson, Messages and Papers, 5:513.
- 25 Butterfield to Plumb, July 12, 1861, 4-2-5624, ASRE.
- 26 Mata to Ocampo, Dec. 22, 1858, 8-4-112, AHINAH.
- 27 Mata to Ocampo, Dec. 24, 1858, 8-4-113, AHINAH.
- 28 Diccionario Porrúa, 1:875 and Gabriac to Paris, Dec. 29, 1858, in Díaz, Versión francesa, 2:50-52.
- 29 Alfred C. Ramsey to Buchanan, Jan. 19 and 21, 1859, BP/PHS.
- 30 Sept. 3, 1858, filed in NA/CD/VC.
- 31 Twyman to Cass, Dec. 21, 1858, NA/CD/VC.
- 32 Forsyth to Cass, June 25, July 1, Aug. 1 and 31, 1858, NA/DD.
- 33 Gabriac to Paris, Aug. 1, 1858, in Díaz, Versión francesa, 2:34-36.
- 34 Jean Jacques Pelissier, French ambassador, London, to Paris, Sept. 27, 1858, in Díaz, Versión francesa, 2:44-45.
- 35 Gabriac to Paris, Aug. 1, 1858, in Díaz, Versión francesa, 2:34-36.
- 36 Cass to Churchwell, Dec. 27, 1858, NA/SM.

37 Juárez, Documentos, 3:467-473.

38 Jan. 21, 1859, NA/CD/VC.

39 McLane to Cass, Jan. 7, 1860, NA/DD requested Twyman's removal for chronic alcoholism and general incompetence.

40 Churchwell to Cass, Feb. 8, 1859, NA/SM.

41 Churchwell to Buchanan, Feb. 22, 1859, BP/PHS.

42 Paul Murray. Tres norteamericanos y su participación en el desarrollo del tratado McLane-Ocampo, 1856-1860 (Guadalajara: Imprenta Grafica, 1946), pp. 28-30; Fuentes Mares, Juárez, pp. 106-107, erroneously translates the key statement as "quien se encuentra en el Gabinete a sugestión mia."

43 Forsyth to Cass, from Mobile, Nov. 22, 1858, NA/DD.

44 Protest of MRE, Apr. 14, 1859, pp. 5-7, L-E-1317, ASRE.

45 Churchwell to Cass, Feb. 21, 1859, NA/SM.

46 Churchwell to Buchanan, Feb. 22, 1859, BP/PHS.

47 MRE to Mata, Feb. 21, 1859, p. 75, H/110(73:0) "858-59"/1, ASRE.

48 Mata to Ocampo, Feb. 19, 1859, 8-4-114, AHINAH.

49 Mata to Juárez, July 2, 1858, JM.

50 MRE to Mata, Feb. 21, 1859, p. 75, H/110(73:0) "858-59"/1, ASRE.

51 Mata to Ocampo, Mar. 8, 1859, 8-4-115, AHINAH.

52 Mata to Ocampo, Mar. 8, 1859, 8-4-116, AHINAH.

53 Senate Journal, 35th Cong., 2nd Sess., p. 343.

54 Richardson, Messages and Papers, 5:538-540.

55 Mata to Ocampo, Mar. 8, 1859, 8-4-116, AHINAH.

56 Cass to McLane, Mar. 7, 1859, NA/DI.

57 Mata to Ocampo, Mar. 8 and 31, 1859, 8-4-116 and 117, AHINAH.

58 Cass to McLane, Mar. 7, 1859, NA/DI, and McLane to Cass, Apr. 7, 1859, NA/DD.

59 Notes between McLane and Ocampo enclosed with McLane to Cass, Apr. 7, 1859, NA/DD.

60 McLane to Cass, Apr. 7, 1859, NA/DD.

61 McLane to Cass, Apr. 7, 1859, NA/DD.

62 Robles to MRE, June 21, 1858, in Colección de documentos relativos a la reforma, pp. 123-140.

63 Dublán y Lozano, Legislación, 8:666-667.

64 Mata to MRE, Feb. 3, 1859, H/651.1(72:73)"859"/, ASRE and Mata to Ocampo, Feb. 19, 1859, 8-4-114, AHINAH.

65 M. Lerdo, fomento, to MRE, Apr. 1, 1859, H/651.1(72:73)"859"/, ASRE.

66 Circular, Apr. 6, 1859, in vol. 12, NA/DPR.

67 Protest of MRE, Apr. 14, 1859, pp. 5-7, L-E-1317, ASRE.

68 McLane to MRE, Apr. 26, 1858, in vol. 12, NA/DPR.

69 Circular, Apr. 28, 1859, in vol. 12, NA/DPR.

70 Loan authority from Guillermo Prieto, hacienda, Mar. 2, 1858, and Ocampo to Mata, Mar. 3, 1858, pp. 10-14, H/110(73:0)"858-59"/1, ASRE.

71 Letter of authority from M. Lerdo, Apr. 7, 1859, p. 46, H/110(73:0)"858-59"/1, ASRE.

CHAPTER VI
THE MCLANE-OCAMPO TREATIES: THE LAST ATTEMPT
TO COMPROMISE CONFLICTING GOALS

During 1859 and 1850, as the Mexican civil war continued its course of destruction, Mexican and American diplomatic agents pursued their respective and conflicting goals. Liberal leaders in Veracruz hoped that diplomatic recognition would be the first of a series of successful moves. In their vision of liberal Mexico and its future, American friendship and assistance continued to occupy a vital position. Money, technology, immigrants, leadership, and protection continued to be the goals of their relations with the United States.

American goals did not remain as firmly set as did those of Mexico. Having used its trump card, recognition, without securing territory, Washington encountered increasing Mexican resistance to a boundary change. Buchanan reluctantly came to realize that by making a transfer of territory the sine qua non of negotiations, all his Mexican objectives were being jeopardized. Without abandoning territorial expansion as the ultimate goal, he decided to compromise, to achieve his goals in stages. After securing the American position in Tehuantepec and placating liberal sensibilities by purchasing transit rights and commercial privileges in northern Mexico and by extending over their government the

protective shadow of the United States he hoped that Mexican resistance to his major objective would gradually diminish.

From McLane's recognition of the constitutional government on April 6, 1859, until the signing of the McLane-Ocampo treaty on December 14 of that year, the parties waged a continuous diplomatic contest over a formula to harmonize their discordant views. This contest was waged for the most part in Veracruz; in Washington Mata was isolated from the stream of diplomatic activity and devoted most of his energies to securing loans and arms on the private market, either directly or through the agency of American friends. Both sides attempted to use unfolding events and nondiplomatic factors to bolster their position in the negotiations.

Ocampo considered that his immediate task, once recognition had been secured, was to prevent Americans from exacting too high a price for this recognition. Mata, whose pessimistic views of the liberal future made him willing to accept any demand, was informed on April 22 that all negotiations would be conducted in Veracruz.¹ Ocampo and Lerdo had committed their government to "negotiate affirmatively" on the question of the cession of Baja California, but they now wished to avoid this step if at all possible. To accomplish this Ocampo adopted a three part strategy: concentrate on the question of transits, separate transits from the cession of territory, and introduce an alliance proposal into the negotiations

As a basis for negotiation, McLane submitted the draft

boundary and transit treaties furnished to Forsyth by Washington in July 1857. This demand for Sonora and much of Chihuahua in addition to Baja California far exceeded the reasonable expectations of Washington, if not Buchanan's desires. If McLane's later statement, that he had felt more could be gained "from intimate commercial relations than from the acquisition of territory,"² can be accepted, then he may have presented these extreme demands to give the liberals an opportunity to reject territorial cession without violating their apparent pledge to Churchwell.

At a very early point in the negotiations McLane reported that the prospects for a boundary change were dim.³ The price authorized for territory and transits, \$10 million, was embarrassingly low in view of Mexican expectations. While McLane felt that Juárez would agree to the sale of Baja California, he feared that the Mexican congress would never accept such a treaty. He was unaware, or chose to keep Washington unaware, of the fact that the Veracruz government considered itself as operating under an extraordinary mandate which gave the executive branch full legislative powers and made congressional approval of treaties unnecessary.⁴

Rather than openly reject the proposition for the sale of territory, the liberals preferred to separate this question from that of transits and other matters.⁵ Buchanan correctly saw the attempt to separate the negotiations as a maneuver to allow for Mexican acceptance of the transit agreement and

rejection of that on limits. Only when McLane had convinced Buchanan that no agreement was possible without separate treaties did Washington reluctantly agree to two treaties, but only if this was necessary to prevent a collapse in the negotiations.⁶

On the matter of transits, difficulty quickly arose over the power of the United States to use its military forces to protect the Tehuantepec route. Buchanan desired a provision allowing the United States to determine when the conditions required American military protection and to effect this protection without the prior consent of Mexico. This had been a key feature of the instructions to Forsyth. The Mexicans, responding in detail for the first time to this proposal, refused to accept this broadly defined power of intervention. They were reluctant to concede any right of military intervention to the United States in this area and opposed any unilateral right as endangering Mexican sovereignty over the isthmus. To further complicate the negotiation, Mexico sought to nullify the right of the United States to transport troops and supplies across the isthmus, a right which the Americans thought to have secured in article 8 of the Gadsden treaty.⁷

Buchanan endeavored to break the impasse created by the Mexican intransigence on the questions of combining transits and limits in the same treaty and of allowing for unilateral American intervention by opening negotiations in Washington. Playing upon Mata's pessimistic view of the

liberal position in the civil war, he pressed for agreement on the American demands. Mata, whose authority to negotiate had already been withdrawn, was only willing to recommend a compromise to Veracruz. His compromise could not have been pleasing to Buchanan, for it hedged the right to act unilaterally in Tehuantepec with so many restrictions as to make it meaningless and camouflaged the sale of Baja California as a loan arrangement in which Mexico would have six years in which to pay off the loan and save Baja California. Privately, however, Mata urged Veracruz to find some quick means of securing official American funds since his efforts to secure private loans were still disappointing.⁸

In an effort to divert American attention from Tehuantepec and Baja California, Ocampo assumed the initiative for agreement in two other areas, northern transits and a broadly based alliance. The latter proposal was advanced by Ocampo on April 22 in an attempt to take advantage of McLane's heated reaction to the "massacre of Tacubaya." The liberal plan to lure Miramon away from Mexico City and fall on the capital in his absence had miscarried; the liberal army under Santos Degollado was destroyed by a conservative force led by Leonard Marquez in a battle at Tacubaya on April 10 and 11. This crushing defeat coming hard on the heels of American recognition made the positions of both McLane and the Veracruz government more difficult. McLane's discomfort increased when he learned that, in what had become a customary post-battle execution of prisoners, Marquez had

ordered the execution of civilian doctors found treating the liberal wounded, including at least one American.

The combination of adverse developments led McLane to address a very heated note to Ocampo demanding that the liberal government take effective steps immediately to protect American lives and interests. Failure of the liberals to provide prompt satisfaction, McLane said, would force the United States to act on its own to protect its interests and to punish those guilty of damaging those interests. In a move which would avoid responsibility for a situation it could not control and would remove the danger of a unilateral American intervention the Juárez cabinet decided upon the alliance invitation. An alliance to protect democratic representative government in each country would allow the constitutional government to request American assistance against anti-democratic forces.⁹

Although the alliance proposal may have been intended initially as a diversionary tactic, it became a persistent element in the Mexican negotiating stance. As subsequently elaborated, the proposal contained most of the features of earlier protectorate plans. It would have committed the United States to guarantee Mexico's territorial integrity and the liberals' control of power. The latter feature originated with Ocampo, the former with Miguel Lerdo. As the unbridgable gap between the American and Mexican positions on the discretionary power for the United States to protect the Tehuantepec transit became evident the alliance was put

forward as a possible compromise. Within the context of the alliance Mexico was willing to give the United States broad discretionary power to intervene in Tehuantepec and elsewhere to maintain order and representative government.

The most formal presentation of the alliance project, made in June, would have committed each country to aid the other against both internal and foreign enemies in a relationship which was seen as the first step in the creation of a hemispheric defense for democratic principles.¹⁰ Despite the terminology relative to mutual obligations, the alliance would have made the United States responsible for assisting the Juárez government in suppressing the challenge to domestic order posed by the anti-democratic government of Miramon. The United States would also be obligated to protect "democratic Mexico" from the dangers of European intervention. It was a protectorate scheme thinly disguised. It would give Mexico the protective shadow of the United States which many liberals felt was necessary for their plans to reform and regenerate the Mexican society.

Whether McLane, Cass, and Buchanan understood the ideological implications of the alliance is not clear. The immediate and persistent American reaction was that such an alliance was unthinkable because it would violate the traditional American policy of "no entangling alliances." Americans feared that the liberals were attempting to shift to them responsibility for defeating the conservative forces. Mexico might also use such an alliance to involve the United

States in an endless series of wars with European powers. None of these were acceptable risks and the proposal was consistently rejected without any evidence that consideration was given to the desirability of establishing a client-patron relationship.¹¹

No consideration appears to have been given to the fact that the alliance would convert the Monroe Doctrine from a unilateral declaration of intent into a bilateral obligation, that it would be the first step toward making it a multilateral commitment sustained by all the "democratic constitutional republics" of the hemisphere. McLane's counter-proposal, that after a satisfactory arrangement of all other points, including the cession of Baja California, the United States would be willing to make an agreement which would allow her to assist Mexico in maintaining domestic order,¹² may have been made to protect the unilateral nature of the Monroe Doctrine. It is more likely, however, that McLane merely sought the cession of Baja California and that any subsequent agreement would not have obligated the United States to take any significant action.

The other matters taken up during the negotiations involved frontier questions upon which there was little disagreement between the negotiators; the Mexicans were as anxious to give as the Americans were to receive. Two distinct questions were involved, reciprocal free trade and transit rights. Mexico was anxious to negotiate on these matters because it believed that the United States would pay

at least \$5 million for these concessions and because these privileges, being popular with Americans, would improve Mexico's image with Americans. They could also be made without infringing upon Mexican sovereignty or territorial integrity.¹³

At an early point in the negotiations it was decided to increase trade and communication across the frontier by acting under terms of article 32 of the 1831 treaty of amity and commerce. Both Ocampo and McLane claimed credit for suggesting this move. The article, designed to facilitate trade between Missouri and New Mexico, provided that arrangements for exchange of trade caravans on a regular basis, for determining their routes, and for their military protection could be made by executive agreement. On April 25 McLane and Ocampo signed an agreement under this article appointing a joint military survey team to determine the best routes to connect Guaymas with Tucson and Mazatlán with Brazos Santiago in Texas. The surveyors were also to identify the points along the routes at which military garrisons should be located to provide escorts for trade caravans. The agreement provided that escorts of either country could accompany a caravan over the entire route or the escorts could be changed at a convenient point. Both negotiators considered this agreement as essential for later treaties covering transit rights, railroad construction, reciprocal free trade, and free transit privileges for the United States in this region.¹⁴

The pains which McLane took in justifying this agreement to Washington suggests that the transits in northern Mexico although included in his instructions were considered valueless by Washington. He was aware that Mexico expected to be generously compensated for these concessions. He stressed the value of the Guaymas-Tucson road in reducing the cost of freight to Arizona--the per ton cost from San Francisco would be reduced from \$350 to \$95 and that from New York from \$425 to \$125. This would promote the rapid settlement and development of Arizona. More significantly, McLane suggested, this road would result in the Americanization of Sonora, "perhaps even before Arizona has enough inhabitants to warrant its admission to the Union." McLane was obviously trying, as Forsyth had done earlier, to suggest to Buchanan that slow and indirect acquisition through the extension of American economic and cultural influences was equally as effective as purchase and more acceptable to the Mexicans.¹⁵

By June it became obvious that no early agreement would be achieved in the negotiations at Veracruz despite general harmony in several areas. There was accord on transit rights in Tehuantepec as well as across the northern frontier. Mexico was willing to allow American military protection of the northern routes, and reciprocal free trade was welcomed by Mexico as a means of developing the frontier region. Major disagreements were limited to two topics--the cession of Baja California and the conditions under which the United States could extend its protection to the Tehuantepec transit route.

McLane was convinced that it was bad diplomacy to insist on territorial cession at this point and he advanced a number of arguments against continuing efforts to secure Baja California. Liberals were opposed to a cession in principle; it would weaken liberal support in the frontier states, heretofore a liberal stronghold; and the validity of a title based on an agreement made with one side in a civil war would be insecure in international law.¹⁶ McLane was saying, for Buchanan's benefit, that the sale of territory might cause the collapse of the liberal regime despite the money received as compensation. If this happened, the victorious conservatives would probably refuse to recognize the validity of the sale, forcing the United States to forfeit the purchase price or fight a war to establish its title.

On the question of American protection of the Tehuantepec transit, Mexico was willing to grant this privilege and even to make it obligatory but only when requested by Mexico. The United States did not wish to be obligated but rather to have discretionary power. The American position was rejected by Mexico as an infringement upon national sovereignty.

An interesting but soluble minor disagreement involved the American desire to have the company operating the transit facilities limited by treaty to fifteen percent profit.¹⁷ As the potential principal user of this route such a restriction seemed reasonable to the United States and its inclusion in a treaty could be used by Buchanan to counter any charges

that the treaty was overly favorable to the financial interests of his political friend Benjamin. Mexico, sharing in the profits of the Louisiana Tehuantepec Company, found any restriction unreasonable. Ocampo further argued that such a restriction would adversely affect both domestic and foreign investment in the company.¹⁸

The liberals' continuing failure to gain financial resources by treaty was matched by Mata's attempts to secure them from private sources. Mata had been so busy with loan negotiations in New York that Butterfield had to be sent to locate and escort him to the White House for the formal presentation of his credentials on April 29th.¹⁹ Anyone who held a profitable concession from the liberal government was called on for assistance. Many, like Butterfield, realized that their grants were worthless if the conservatives won and needed little encouragement to exert themselves in behalf of the Veracruz government. Even Churchwell was enlisted as a special loan agent after his return from Veracruz.²⁰

Despite the number and motivation of Mata's agents, loans were small, infrequent, and expensive. An attempt to arrange a loan through brother-in-law of McLane failed.²¹ A small loan was obtained through Lapegre, president of the Louisiana state bank and a relative of La Sere. Butterfield was able to secure arms on credit but other efforts, including an elaborate \$500,000 loan for \$1,200,000 in 6% bonds promoted by Churchwell and the attempt by Pierre Soulé to secure \$2.4 million in return for \$8 million in twenty year

Mexican bonds, either failed or produced meagre results. The outbreak of war between Austria and France and the danger that this war would become generalized made credit scarce. News of liberal reverses also undid on occasion the creditor confidence Mata had so carefully nurtured. The failure of the Hargous Company of New York in April 1859 was taken as a bad omen. The bankruptcy of Hargous, a principal figure in the Louisiana Tehuantepec Company, cast doubt on the ability of the company to survive. If the transit company failed to survive despite its favored position then Mexico's credit standing would be depressed even more.²²

The failure of the liberals to raise money on either front was obvious by early summer of 1859. Recognition had not brought the bonanza of credit so confidently expected. Military reverses, increasingly menacing attitudes by the French, British, and Spanish diplomats, and ominous visits by European fleets demanded that some source of money be found immediately. For some, including Mata, there appeared no alternative but the sale of Baja California. But Miguel Lerdo, the strongest cabinet opponent of a sale, was ready to try one more maneuver before surrendering to Buchanan's demands. Since the establishment of the Juárez government the desirability of a radical reform program, including nationalization of church property, had been discussed and planned. Now seemed the best time for such a program. After his defeat at Tacubaya Degollado demanded nationalization as a war measure. Lerdo pressed for nationalization as an

escape from the financial impasse. Mexico had been unable to raise loans because it could offer no acceptable collateral. Nationalization would mean little in direct resources since most of the property involved lay in areas controlled by the conservative forces. Titles to this nationalized property could be use, however, to secure either a public or private loans in the United States.²³

Under Lerdo's prodding the Juárez cabinet issued a reform manifesto on July 7, 1859. Although signed by all the members of the cabinet and the president, the manifesto was obviously the work of Lerdo, who held the portfolios of hacienda and fomento. The thirty page manifesto was an expanded and refined version of the 1853 letter to Santa Anna in which Lerdo had proposed a program of reform. A strong police force was necessary for law and order per se, but more importantly because law and order would attract foreign capitalists and technicians. Attraction of foreign laborers, technicians, entrepreneurs, capital and technology was given high priority. Domestic and foreign trade, which were magnets for these, should be facilitated and protected by measures ranging from lowering or abolishing taxes and duties to railroad construction and port improvements. The impending nationalization of church property was justified as a means of encouraging colonization and paying off the the foreign debts which endangered Mexican sovereignty.

The last third of the manifesto, devoted to fomento activities, promised to create an economic utopia. Progress

was the key to the future and only with the cooperation of foreigners could Mexico secure this key. Mining must be stimulated by abolishing all taxes and reserving for the Mexican government only 1/12 of the profits, and generous railroad grants would attract domestic and foreign investors. Great attention was given to colonization, "without doubt one of the first needs of the Republic upon which depends not only its progress and the development of its wealth, but also the preservation of its nationality." The manifesto proposed to stimulate colonization not by attractive offers and promotional schemes as in the past but by attacking the barriers to immigration--religious intolerance, lack of employment opportunities, and lack of security. Separation of Church and state with religious freedom would remove the first barrier; a development program financed by foreign investors and by the funds derived from church property would provide ample employment; and an honest and effective system of courts and police would solve the problem of insecurity.²⁴

Lerdo's plan to use the nationalized church property as security for loans to finance the prosecution of the civil war was implied in the manifesto. The nationalization decree, issued on July 12, was designed to put almost all ecclesiastical property into the hands of the state. Any private party having an interest in property under Ley Lerdo of 1856 must publicly declare and establish his claim within 30 days. At the end of thirty days all unclaimed church property would revert irrevocably to the state.²⁵ There was little

likelihood that persons living in areas controlled by the conservatives would risk the vengeance of Church and state by attempting to establish their claims. Armed with a copy of the decree and with lists of nationalized property Lerdo departed immediately for the United States in search of life-sustaining credit.

Lerdo's mission was doomed from the beginning; there were too many powerful forces in opposition. Not only would he have to cope with the verities of a strange and immature capital market, but also with the efforts of both his own and the American governments to insure his failure. McLane alerted Washington to the purpose of Lerdo's trip and warned that if Lerdo succeeded in securing loans all hope of acquiring Baja California would disappear. If he failed, however, McLane was sure that his support for a sale could be obtained.²⁶ There is no evidence to indicate what, if anything, Buchanan may have done in response to this warning, but it is inconceivable that he did not act upon such a clear threat to his desire to be a successful expansionist president.

On the other hand, the actions taken by the Veracruz government to prevent Lerdo from securing loans were clear but not the motives. In the absence of Lerdo, Ocampo served as acting head of hacienda along with his foreign ministry position. On July 27 he issued a clarifying order providing that the thirty day limit specified in the original decree did not apply to property located in regions controlled by

the conservatives.²⁷ When news of this change reached New York, Lerdo's lists of church property became worthless as security for loans.

While Ocampo claimed that the order of July 27 and subsequent changes, which left little of the July 12th measure in tact, were necessitated by a desire to do justice to those who in good faith had previously invested in church property, this was a weak rationalization. Why was this point not brought up in the cabinet when Lerdo had justified the 30 day limit as a means of forcing people with an existing interest in church property to come out publicly in support of the liberal government or face the permanent loss of their investment? Other factors were also at play in the situation. Relations between Ocampo and Lerdo had been strained for years as a result of personality clashes and of the unwillingness of either to subordinate his views to those of the other. Also Ocampo's son-in-law, Mata, had indicated in April that he would consider any trip by Lerdo to raise loans in the United States as indicating a lack of confidence in his abilities.²⁸ Finally, it should be noted that Lerdo's success in negotiating loans would not only endanger Buchanan's pet project, the purchase of Baja California, but also the prospects for a Mexican-American alliance, Ocampo's pet project. Thus Ocampo's concern for those who already invested in church property may have been sharpened by his personal dislike for Lerdo, his desire to protect his son-in-law, and his plans to secure an alliance with the United States.

The failure of Lerdo's loan mission produced a new crisis. Lerdo requested authority to negotiate a treaty in Washington but was refused.²⁹ In the meantime, Mata had become convinced that the American treasury was the only accessible source of money. Money could not be raised from private sources in the United States or Europe for any venture in Mexico, he warned Ocampo. The inability of Mexico to provide adequate guarantees of security to projects and property made all investors reluctant. Internal order was an essential precondition for the inflow of private capital. Until the civil war could be terminated, Mata argued, the only significant source of credit for Mexico was a treaty with the United States.³⁰

The crisis in the search for credit was accompanied by a break in the negotiations in Veracruz. After weeks of bargaining and occasionally arguing with Ocampo and pleading with Washington for more flexible instructions, McLane became dispirited. He asked permission to negotiate a treaty without reference to Baja California and to increase the amount to be paid for transit rights and commercial privileges nearer to the \$5 million price placed on them by the Mexican negotiators.³¹ Reluctantly Washington agreed to separate territorial and transit matters into two treaties and to pay \$4 million for transit rights with the proviso that \$2 million be withheld to satisfy American claims.³² It is interesting to note how far the amount of claims, which Buchanan had estimated at \$10,000,000 the previous December

in his state of the union address, had been scaled down.

Despite the modification of his instructions, McLane still found himself unable to secure an acceptable settlement. Ocampo resigned from the cabinet on August 15 and was replaced by Antonio de la Fuente.³³ De la Fuente was even less tractable than Ocampo had been. He adhered to the position of his predecessor on all key points and added the additional obstacle of demanding that in any treaty the money must be paid immediately without waiting for ratification. McLane found this suggestion completely unrealistic and felt that it was being made merely to delay matters. Disheartened by the impasse that had been reached and fearful of the fever season then gripping Veracruz, McLane decided to return to Washington for vacation and consultations. He was, by now, convinced that a military alliance was necessary to sustain the liberal regime.³⁴

The continuing civil war and the debility of the Veracruz government were having an impact on private American interests in Mexico. The liberals had recognized as valid the many concessions made to Americans by the Comonfort government. Some of these, such as Temple's mint, Naphegy's gas works, Hammeken's Tacubaya tramway, and Stewart's telegraph lines, were located in areas controlled by conservatives and subject to retaliatory action. Temple's position deteriorated steadily from the time of the establishment of the Zuloaga government in January 1858 and became critical after Churchwell's visit in February 1859. In August 1859 he

suspended operation of the mint and appealed to McLane and Juárez for protection.³⁵ The withdrawal of exequaturs from American consuls in conservative areas left Americans in these areas without an official spokesman. The British minister, Otway, compounded the problem when he refused Consul John Black's request that American interests be protected by the British legation.³⁶

Outside the conservative areas Americans had the sympathy of the liberal government and functioning American consuls to help protect their interests. But, frequently these were of little actual value. Local commanders, motivated by avarice or by the necessities of war, did not hesitate to seize American property. The Veracruz government was often unable to prevent such actions or to give immediate compensation. American merchants in Veracruz and Tampico requested the presence of American naval vessels as a means of protecting their interests.³⁷ Although the American naval presence was increased, McLane was warned that without special congressional authority the president could not order these ships to use force in the protection of American citizens and interests.³⁸

Beyond the specific acts which resulted in damage, the effect of the civil war was detrimental to American interests. Commerce between the coastal regions and the interior was paralyzed by the war. Those holding concessions in areas only lightly touched or unaffected by the civil war found it difficult to operate. Some state officials sought an

independent existence and ignored orders and commitments made by both national governments. All concessionaires soon realized the truth in Mata's observation that investors were unwilling to risk their capital in Mexico while the civil war continued. The most prestigious American group, the Louisiana Tehuantepec Company, had sent Benjamin to London during the summer in a vain effort to raise \$2 million in capital.³⁹ Recent grants made to Cazneau for agricultural development on Cozumel and for a frontier road, Mata's arrangements for German settlers,⁴⁰ and liberal modifications of Tehuantepec contract were of little value so long as the civil war continued to rage.

Leaders in both Veracruz and Washington became concerned during the summer of 1859 with evidence of growing European support for the conservative regime. Gabriac had never disguised his partiality for the government in Mexico City. After American recognition of Juárez, his efforts, frequently seconded by the British minister, became more overt. Gabriac received and forwarded to Paris a long petition addressed to the French emperor by 65 leading conservatives. The petitioners saw recognition as merely a disguise to cover direct American intervention in the civil war. They called upon the emperor, the recognized champion of justice and civilization, to rescue Mexico from the anarchy and communism being spread by the Americans.⁴¹

A gradual improvement in relations between the conservatives and Spain, capped by the signature of the Mon-Almonte

treaty in September 1859, was seen by the liberals as a preliminary to Anglo-French-Spanish agreement to intervene in favor of the Miramon government. In their view, Miramon's agreement to compensate Spain for the recent outrages against Spaniards and to resume payments under the Spanish convention of 1853 would provide a pretext for Spanish intervention at liberal-held Gulf ports to force payments which could not otherwise be accomplished by the Miramon government.⁴²

Miramon demonstrated his financial insolvency in October when he gave \$15 million in obligations to secure \$600,000 in immediate credit.⁴³

The financial distress of the Miramon government was not reflected in a corresponding improvement in the position of the liberals. The spring and summer brought an unrelieved string of defeats, beginning with the battle of Tacubaya in April. Military disasters and the failure to secure timely American monetary assistance added to the pessimism and dissension within their ranks. The cabinet rejected Miguel Lerdo's arrangements for ten thousand mercenaries in such a way as to cast doubts on his patriotism.⁴⁴ This rejection, the earlier undercutting of his efforts to raise a loan, and the refusal to give him authority to negotiate a treaty in Washington caused him to refuse to rejoin the cabinet in November unless it would agree to a treaty with the United States.⁴⁵ The defection to Vidaurri in September was a serious blow to the liberals. Professing to fear an invasion of American filibusters from Texas, Vidaurri retired from

the battle zone taking with him the armed forces from the northeast.⁴⁶

The position of the liberals deteriorated so far that Mata warned against any further delays in securing American monetary assistance. He felt Mexico's prestige had fallen so low that many years of stable government would be necessary before private investors would support either government loans or development projects. Since the defeat of the liberals would mean the extinction of Mexican nationality, he was prepared for any sacrifice, even the sale of territory. Since Mexico's survival hung in the balance, he saw concern for national honor and sovereignty as inadequate reason to reject foreign mercenaries or American discretionary authority to protect the Tehuantepec transits. If the American auxiliaries subscribed to the same political ideas as those upon which the Veracruz government was based he questioned whether they could be considered as aliens.⁴⁷ He preferred that discretionary power to intervene be included in a treaty involving a broad association of democracies, but if this were not possible, then it must be given in some other form.

All treaties, Mata argued, involved giving up some independence in return for a gain in another area. If the Tehuantepec and northern transits could be arranged, Mexico would gain more economically and socially than it would lose politically. The transits could be developed only under American protection. With their development Mexico

will experience a transformation that will change its way of life, The communications routes will

serve as inexhaustable springs of wealth for the country; their construction and maintenance will employ thousands of men who today moan in misery or turn to robbery; they will enhance the value of our agricultural and mineral products, increasing their consumption and facilitating their export; they will give an immense value to lands that today lack value; they will guarantee the life and property of inhabitants of frontier states exposed today to the depredations and bloody knife of the savage; and they will contribute powerfully to maintaining the nationality of the country, tying together the interests of its inhabitants who are in such a state of isolation today from one another and from the center that they consider each other foreigners.⁴⁸

Mata's desire to grant a unilateral American right to protect lives and property in Mexico also reflected his belief that Buchanan was moving toward a tougher policy which would soon bring American military forces into Mexico anyway. Naval units were being sent to Mexican ports on both coasts; in Washington more menacing instructions were drafted for McLane. The outrages committed against American citizens and their property by the Miramon government in retaliation for the recognition of Juárez had created a situation where "the patient endurance which this Government and our citizens have displayed . . . has reached a limit beyond which it cannot be expected to continue. It is quite time that the proper remedy for these wrongs should be applied either by Mexican authorities themselves or else by the forces of the United States."⁴⁹ Apparently only Buchanan's view that the president lacked constitutional authority to employ armed forces without special dispensation from congress prevented him from taking decisive action.

In Buchanan's third annual message he again sought the necessary congressional approval for the employment of force in Mexico. Almost a fourth of the message was devoted to a review of conditions which, in Buchanan's view, justified a declaration of war. Noting the desire of the liberal government to pursue a policy of justice toward Americans but its inability to exercise effective power, he labelled Mexico a "wreck upon the ocean, drifting about as she is impelled by different factions." As a good neighbor, he asserted, the United States had a responsibility to intervene to prevent Mexico from destroying herself. With reasoning which foreshadowed the later Roosevelt Corollary, Buchanan noted that commercial and humanitarian considerations demanded the intervention of some outside power and since American policy prohibited European intervention the United States must assume the responsibility.

Buchanan made clear his sympathy for the liberals and his belief that the conservative "bandits" in Mexico City were responsible for the deplorable conditions which had existed for several years. He recommended several means of punishing the conservative forces. If congress would authorize him to use armed forces against them, he was confident that the Juárez government would agree to allow American forces to pass through its lines to reach the enemy. He also suggested that congress might wish to have units of the regular American army or of sympathetic volunteers placed at the disposal of Juárez. The latter suggestion may have been an

attempt to gain congressional endorsement for mercenary forces such as those contracted by Lerdo. Buchanan repeated his requests for authority to establish military control over Sonora and Chihuahua and to use naval forces in protecting the security of all transisthmian transportation routes. He made a special plea to use the navy in protecting American lives and property in the ports of Mexico.⁵⁰

Buchanan did not know that five days before his message went to congress McLane had signed two treaties which would go far toward committing the United States to the type intervention which he requested. McLane and Lerdo, after several conferences between themselves and with Buchanan, had returned to Veracruz in November. Upon his arrival, McLane found de la Fuente still unwilling to accept the terms demanded by Buchanan.⁵¹ The decision of Lerdo to remain aloof from the government until the cabinet agreed to a treaty with the United States resulted in the resignation of de la Fuente and the return of Ocampo to the foreign ministry.⁵² Ocampo reassumed responsibility for foreign affairs on December 1 and only 14 days were required to complete the process of negotiating, drafting, and signing two agreements which together compromised conflicting Mexican and American positions on all issues, except the cession of Baja California.

The terms of the "Treaty of Transits and Commerce" and the "Convention . . . to enforce treaty stipulations and to maintain order and security in the territories of each of the two Republics" were sufficiently ample and flexible to give

the United States the desired transits and discretionary authority without involving her in an entangling alliance, while providing Mexico with the long sought financial resources and protective shadow of the United States. Archives in neither country reveal much about those last two weeks of negotiations. McLane's despatch forwarding the treaties to Washington⁵³ contains contradictory statements, the treaties were based on the project suggested by Ocampo in July and most of the key points were dictated by McLane, McLane adhered closely to his instructions and he exercised great discretion in agreeing to the terms.

The ambiguity of McLane's statements and other facets of the situation suggest that during the visit of McLane and Lerdo to the United States agreement was reached between them and Buchanan as to the general outline of a agreement based on Ocampo's proposals of the previous July. Lerdo upon his return to Veracruz, pressured Juárez into accepting the agreement. The subsequent negotiations between Ocampo and McLane consisted of each side attempting to improve its position by finding weak points in the other's position or in the general understanding achieved in Washington. The character of McLane's covering despatch seems to support this interpretation; he passed over many key features of the treaties with little or no comment, suggesting that these were in accord with a previous general understanding, while making lengthy arguments in support of others, suggesting that these points had not been covered or that he had been forced to retreat on them.

The treaty on transits and commerce was the longer and more complex of the two agreements.⁵⁴ The first five articles dealt with Tehuantepec transits. A perpetual right of way across the isthmus by any and all existing or future roads was confirmed to the United States and her citizens. Mexico bound herself to open ports of deposit on each side of the isthmus, to allowed duty-free use of port and transit facilities by all countries, and to insure that foreigners were not charges more for use of these facilities than Mexicans. American mails would be allowed to use the transit without restriction. Both powers agreed to protect the security and neutrality of the route.

The discretionary power of the United States to protect the isthmus route was carefully worded; Mexico was recognized as having the first obligation to provide protection, and only when she failed to do so would any right devolve upon the United States. The normal procedure for using American forces in the area was defined as being in response to or with the consent of the Mexican government, its minister at Washington, or "competent legally appointed local [Tehuantepec] authorities." Only "in the exceptional case . . . of unforeseen or imminent danger to the lives or property of citizens of the United States" could American protection be extended without prior Mexican approval, and then only for the purpose of protecting lives and property in the transit area. When American forces were used they would be withdrawn as soon as the necessity for their presence

ceased, with Mexico having the right to determine when this had occurred. The Americans had gained the high prized discretionary power, but a more restricted power would be hard to imagine.

Not only were the discretionary powers less than desired, but the Tehuantepec agreement failed to place any restriction on the profits of the transit company. McLane pushed, in the final stages of negotiations to limit the company to 15% profit but reported that Ocampo was adamant in his opposition to such a restriction, arguing that Mexico must never do anything to discourage foreign investment. McLane cited earlier Ocampo arguments on this point indicating that since the most secure investments elsewhere in Mexico paid 3-5% monthly interest, a 15% annual limit on Tehuantepec transit would insure the failure of the company.

The sixth and seventh articles gave the United States perpetual rights to two transit routes across the northern frontier on the same terms as Tehuantepec. The routes were defined as running from Matamoros or Camargo to Mazatlán, via Monterey, Saltillo, and Durango, and from Guaymas via Magdalena and Hermosillo to Rancho de Nogales or other suitable point on the frontier near 110° west longitude. The United States received the right to transport troops and military supplies by the Tehuantepec and Guaymas routes and the companies operating these routes were required to transport American and Mexican troops and supplies at half fares. There was an implied right of the United States to

protect the northern routes on the same terms as Tehuantepec. For reasons which are not clear, provision was included specifically reserving Mexican sovereignty over the northern transits--no such reservation was made for Tehuantepec.

Two points desired by the United States were not included; the right to transport troops and military supplies over the Mazatlán route was specifically denied and there was no indication that contracts to operate these routes required American approval or that contracts for railroad construction would carry generous land grants. The latter omissions must have caused strong American protest since they had been consistently promised as enticements from the first mention of the northern transits by Comonfort in September 1857. McLane went to great lengths to justify the northern transits in his covering despatch. His pains to prove their value was probably meant to counterbalance the lack of controls over railroad contracts and land grants, of whose absence he took no note.

Article eight encompassed an expanded version of Forsyth's reciprocity treaty in 1857. But it involved a very unique form of reciprocity: the American congress would determine for both countries which articles would be admitted free of duty and what the duty would be on excluded articles. Reciprocity, thusly defined, would apply on the common frontier and also along the three transit routes. McLane's efforts to justify the reciprocity provisions indicates that this was not a part of the earlier understanding and was

included at the insistence of the Mexican negotiator. Like Forsyth earlier, McLane stressed how reciprocity would help settle and develop the American Southwest while benefiting the commercial interests of all sections of the United States. The provision allowing the American congress to determine the extent of reciprocity appears to have been a Mexican concession to American sensitivities on the matter.

The remaining articles of the treaty dealt with religious freedom, exemption from forced loans, compensation, and ratification. The commerce and amity treaty of 1831 was modified so as to give greater private and public religious freedom to Americans in Mexico. Americans residing in Mexico were specifically exempted from all forced loans. A sum of \$4 million was to be paid to Mexico "in consideration of the foregoing stipulations and in compensation for the revenue surrendered by Mexico on the goods and merchandise transported free of duty" through its territory.

Care was taken to avoid mentioning compensation for commercial privileges or transit routes. The negotiators doubtlessly recalled that Washington had condemned the purchase of commercial privileges in connection with the Forsyth treaties and that when Forsyth had recommended acceptance of Comonfort's offer to sell transit rights across northern Mexico Buchanan had informed him that "the importance to Mexico of a railroad across her Northern territory, ought to induce her to adopt the most liberal measures in order to secure the necessary protection and capital for its

construction. It is hardly to be expected that the United States will pay . . . for the privilege of conferring on that country this great and important benefit."⁵⁵ Although Buchanan had reluctantly agreed to separate the territorial and transit and other nonterritorial considerations, he would not agree to pay for transit rights, etc., unless a territorial treaty was also signed. The American refusal to recognize compensation for the transit routes probably prompted Mexico to delete all references to land grants or American control over the railroad contracts.

The convention to enforce treaty stipulations compromised Buchanan's desire for unrestricted authority to use military force to protect American interests with Ocampo's proposed alliance. The key passage of the convention provided that

if any of the stipulations of existing Treaties between Mexico and the United States are violated, or the safety and security of the citizens of either Republic are endangered, within the territory of the other, and the legitimate and acknowledged government thereof may be unable, from any cause, to enforce such stipulations or to provide for such safety and security, it shall be obligatory on that government to seek the aid of the other in maintaining their due execution as well as order and security in the territory of that Republic where such violation and disorder occur. . . .

The negotiators had skillfully combined divergent and conflicting objectives in such a fashion as to give each side something more than its minimal demands. Mexico could seek American aid against both domestic and foreign threats since either could endanger American lives and property or

violate treaty provisions. While the United States was not obligated to supply the aid, it was assuming enough responsibility to bring Mexico under its protective shadow, to enhance the status of its liberal government, and to increase investor confidence in its future. This responsibility for maintaining order in Mexico would seriously weaken American ability to press damage claims, a goal of Ocampo's earlier alliance proposal.

Flexibility and authority were the attractive features of the agreement for Buchanan. It would allow him to employ military force in Mexico independent of special congressional authority and without entangling alliances. The discretionary nature of the authority would provide great flexibility in determining which requests for aid effectively served American interests. Finally, the Monroe Doctrine would be strengthened and its unilateral character preserved.

The Juárez cabinet expected great results from the treaties. On December 19 Ocampo informed Mata of them and directed him to promote their early approval by the American senate. Ocampo extolled them as a victory for Mexico. Justice and right would now replace force as the standard of conduct in Mexico's domestic and foreign affairs. The treaties would establish for all time the principle that only those governments based on constitutional order are to be recognized in Mexico. The mutuality of the convention, allowing either party to intervene in the other to protect order and the sanctity of treaties, was seen by Ocampo as the

first step in the building of a new international order, an association of democracies for mutual protection. Without loss of territory or damage to national honor Mexico had secured these great abstract goals plus a compensation which would settle the troublesome American claims and would give the liberal government the strength to reorganize its finances and crush the conservative rebels. Ocampo had no fear that the treaties would not be ratified by the United States. Mata was supplied with authority to exchange ratified copies and instructed to prevent delays in the ratification process.⁵⁶

Although Ocampo abandoned the foreign ministry again on January 22, 1860,⁵⁷ his successors continued to push for early ratification of the treaties. Mata informed Veracruz that the American congress acted only in response to party, press, friends, or money and pointed out that since Buchanan lacked the party strength to insure senate approval of the treaties and house appropriation of the necessary funds, only money could bring the desired action.⁵⁸ Despite its strained financial position, the Veracruz government responded by issuing Mata unlimited authority to draw on hacienda for the funds to secure favorable press coverage and whatever else might be necessary to insure ratification.⁵⁹ When it became obvious that changes would be necessary if the treaties were to have a chance of senate approval, Mata was given authority to ratify any changes that did not involve additional concessions to the United States or add to the burdens of Mexico.

He was also empowered to extend for an additional six months the period during which ratification could take place.⁶⁰ By June, Mata had lost hope and advised Veracruz to drop the treaties but was told to continue his efforts without moderation.⁶¹

How much money Mata may have used in his efforts to insure ratification and the recipients and purposes for which it was spent can not be determined. He reported in general terms about securing friends in the press and congress without giving names. He had the two articles which he had published in New York during June 1858 reprinted in pamphlet form under the title Mexico: its present government and its political parties. According to Mata, the emphasis in this pamphlet was on the democratic and constitutional principles of the Veracruz government and on liberal Mexico as a open and fertile field for American capital and technology. He hired Edward E. Dunbar, a correspondent for The New York Times as a publicist. Even after the defeat of the treaties was accepted by Mexico, the services of Dunbar were retained and his publication of the journal Mexican Papers during late 1860 and early 1861 was subsidized in the amount of five thousand dollars.⁶²

Not all Mexicans were pleased with the McLane-Ocampo treaties and the prospects they held for an American protectorate over Mexico. The Miramon government naturally denounced them and branded as traitors all who supported them.⁶³ The conservative press, particularly that of Mexico

City, mounted an attack upon the treaties and the "American lackies" who signed them for Mexico.⁶⁴ Even among liberals there were those who questioned the wisdom of the policy they embodied. One liberal newspaper was quoted as saying. "Doesn't Sr Juárez know that the liberal party prefers to fall anew under the double despotism of the military and the clergy before committing itself to a foreign yoke?"⁶⁵ Jose C. Valades, the best and most recent biographer of Ocampo, maintains that liberal opposition to the treaties resulted from party animosities or a lack of understanding since the treaties represented a clear victory for Mexico and for their architect, Melchor Ocampo.⁶⁶

McLane anticipated equally great results from the treaties. He felt that once the treaties were ratified he could "easily dictate terms to the Miramon government, obtain redress, and pacify this country." He claimed to have strong evidence indicating that Miramon would not continue the fight once Juárez had secured both money and American backing.⁶⁷ In late January 1860, McLane recommended the adoption of the policy contained in the treaties even before they were ratified. "Let us take the constitutional government firmly by the hand," he wrote, "and we will in a twelve-month drive out of Mexico every anti-American element and pave the way for the acquisition of Cuba."⁶⁸ Like the Mexican liberals, McLane professed to be unable to see how the senate could reject treaties which offered so many advantages.

Despite the hopes of McLane and the liberals for quick and easy ratification, the treaties had rough going from the beginning. They arrived in Washington on December 27 and Buchanan immediately expressed his keen disappointment that a territorial cession had not been included. Hoping that a territorial transfer could be arranged later with a stronger liberal government, Buchanan decided to submit the treaties for senate approval.⁶⁹ In February, McLane returned to Washington to use his influence with the senate. After having considered the treaties in several secret sessions, the complete texts were leaked and appeared in the National Intelligencer on February 18, 1860.⁷⁰ In March a treaty of commerce and friendship with Nicaragua which contained the same discretionary authority for American protection of transit routes was rejected by the senate on the grounds that it would involve Americans in Nicaraguan domestic affairs. Even though Buchanan and Cass claimed not to be discouraged, Mata felt that the chances of approval had dimmed.⁷¹

As consideration of the treaties continued, Mata found opposition to the reciprocity provision both in the senate and the White House. Buchanan first suggested that the provision should be limited to goods crossing the frontier for ten years.⁷² Later Mata discovered that the Republican opposition, led by Senator J. T. Simmons of Rhode Island, opposed the reciprocity provision unless amended. Conferences with Simmons revealed that the

Republicans demanded four changes: first, to limit reciprocity to ten years; second, to make two separate and expanded lists of duty-free goods, one for each country; third, to extend reciprocity to all ports of each country; and fourth, to make clear that Mexico was granting reciprocity in return for compensation. A conference with Buchanan revealed that only the ten year limit was acceptable to him. Mata left Buchanan and the Republicans to work out their differences, indication that changes of this nature would be acceptable to Mexico. He hoped the treaty would be approved with the ten year limit since this would allow Mexico to terminate reciprocity or to charge again for it.⁷³

Mata was unaware that Simmon's amendments were designed to insure the defeat of the treaty. Expanding the free list and the area of its application, even for export-poor Mexico, was not likely to win votes in protectionist Republican circles. The amendment to tie compensation clearly to commercial privileges ran counter to Buchanan's views on commercial policy and nullified McLane's efforts to avoid this problem. When the treaty came to a vote on May 31, however, it was defeated by sectional and party politics rather than the terms of the treaty and the proposed amendments. The Democrats voted down the amendments and the unamended treaty was overwhelmed along party and sectional lines--eighteen Democratic votes in favor, fourteen of these Southerners, and twenty-seven in opposition, twenty-one Republicans and six Democrats (twenty-three opposition votes from Northerners).⁷⁴

An incident off Veracruz in early March involving the American navy must have had an adverse impact on the senate's consideration of the treaties. Miramon, seeking to destroy the Juárez government before American aid could be made available, attacked Veracruz again in late February. Miramon had purchased two warships at Havana to supplement his land attack. McLane, aware of the impending double prong attack, requested approval to use American forces to thwart it.⁷⁵ Instructions had not been sent nor had the attack occurred when McLane returned to Washington. The situation was simplified for Charles Elgee, the American chargé, however, by a liberal decree of February 24 declaring the Miramon vessels pirates.⁷⁶ Elgee arranged conferences between the senior American naval officer and the Veracruz authorities and on March 6th American vessels cooperated with those of the Veracruz government in capturing the conservative ships at Anton Lizardo a few miles south of Veracruz. When he learned of the action Buchanan endorsed it. "This government is clear and decided in its conviction," Washington later informed McLane, "that the capture . . . was proper and fully justified by the circumstances." Protests from the Spanish and Miramon governments were rejected.⁷⁷ The prizes were carried to New Orleans where an admiralty court ruled, many months later, that their capture had been illegal. In the meantime Miramon's attack had been disrupted.⁷⁸ Many senators may have been convinced that the McLane-Ocampo treaties would encourage such incidents.

Despite the continuation of Mexican hopes that the senate would reverse itself, the negative vote of May proved decisive. In June the senate agreed to reconsider the treaties, but only after the fall elections. Mata, hoping that the elections would return a comfortable Democratic margin, advised that the time for ratification be extended again.⁷⁹ In a meeting of the Juárez cabinet in October the question of extending the time for ratification was debated. Only de la Fuente, who had opposed the signing of the treaties originally, was opposed to the extension. After listening to the arguments Juárez sided with de la Fuente and decided not to keep the treaties alive.⁸⁰ This decision probably did not represent any change in attitude toward the policy contained in them but rather a realization that senate approval was unattainable and that conservative power was fading. The failure of Miramon's spring offensive against Veracruz had marked the beginning of improved military prospects for the liberals. In Washington Matías Romero, Mata's replacement, was reporting by September that the Republicans would win the elections and that they would reject anything recommended by Buchanan including the treaties.⁸¹

The failure of the McLane-Ocampo treaties did not mean that the liberals received no benefit from them. Although Mexico never received any of the \$4 million specified in treaties, the prospects of receiving such a sum enhanced the credit status of the Veracruz regime in the American money markets. Even before the agreements were

signed, Edward L. Plumb, holder of mining concessions in southern Mexico, was in Veracruz as a agent for a New York banking house to arrange for a loan and for the handling of money to be received under the treaties.⁸²

How much credit, if any, Plumb may have made available is not known, but the credit picture improved rapidly. In early February Mata was authorized to negotiate a \$500,000 loan in New York in anticipation of the ratification of the treaties. He was instructed to check first with Duncan, Sherman, & Company, who had indicated a desire to handle such a loan, but to take his time and arrange the loan on best possible terms for Mexico.⁸³ By this time Plumb was back in New York where he undertook to arrange the loan for Mata, but Mata reported that he could not get to New York to close the loan because of the need to work for treaty ratification and because he lacked the \$50 fare.⁸⁴ Mata found the time and money, however, for a few weeks later he had the arrangements completed for a loan with Duncan, Sherman & Company but had delayed signature in hopes of driving the interest rate down when he received word that his authority to contract a loan had been withdrawn.⁸⁵ Veracruz withdrew his power because it had found that loans were available from American agents in Veracruz on the same terms as in New York and with less delay.⁸⁶ Although Mata felt that his position had been damaged by having to reject the loan at the last moment, he soon found that even more favorable offers were forthcoming, including one in which the bankers would undertake

to guarantee the ratification of the treaties.⁸⁷ Details of actual loans are not available but it is obvious that Mexico's credit rating enjoyed a rare upsurge.

In addition to improving Mexico's access to credit and sustaining liberal hopes, the treaties caused dissension among the European powers represented in Mexico and may have forestalled a French effort to secure accord for intervention. The French minister Gabriac saw in them proof of his worst fears, that the United States policy was aimed at denying European powers access to markets in the western hemisphere. This policy, first clearly delineated in the Forsyth treaties, was at the heart of the McLane-Ocampo treaties. Repeating earlier arguments about the vital importance of Mexico's markets and precious metal production to the French economy, Gabriac argued that France must take the lead in establishing a common policy to block the American plans.

The British were unwilling, however, to follow the French lead. Instead of adopting an anti-American position, the British minister, George Mathew, sought to enlist McLane's assistance in working out an armistice and compromise settlement of the Mexican civil war. Even worse, in Gabriac's view, Mathew was becoming increasingly sympathetic toward the liberals. London was unwilling to act on any intervention proposal without first inviting American participation and unwilling to approach the Americans until the fate of the McLane-Ocampo treaties had been determined. The

latter occasioned a delay of some six months after which the British were still reluctant to act without American agreement. France, unwilling to act alone or with only the support of Spain, had to postpone for the moment her plans for intervention.⁸⁸ This respite may have been disastrous for Mexico in the long run. Gabriac was replaced by Alphonse Dubois de Saligny and France adopted a more cautious but independent policy which was to culminate in intervention in 1862.⁸⁹

The opportunity offered by the availability of credit and by the neutralization of the European threat was used by the liberals during 1860 to bring the civil war to a successful conclusion. The constitutional armies under the command of Jesús González Ortega captured Mexico City on Christmas Day 1860 and the Juárez government moved up from Veracruz in early January 1861.

On the eve of final victory, however, a final attempt at compromise was attempted by Miguel Lerdo using Gabor Naphegy as intermediary. Lerdo's motives for this action are not clear. Being primarily concerned with economic development, Lerdo was pessimistic about the benefits to be gained from decisive military victory and had consistently sought a compromise solution to the civil war which would stop the destruction.⁹⁰ In early November 1860 Lerdo may have still doubted the validity of optimistic military reports or he may have believed that the wiser policy was to allow the weakened conservatives to avoid defeat by cooperating in a program of national reconstruction and development.

Napheggy, who had extensive business interest in Veracruz, Puebla, and Mexico City, served as the contact between Lerdo and the conservative leaders. The conservatives wanted Lerdo to come to Mexico City to work out a settlement. Lerdo indicated that any settlement would have to safeguard the constitution and the Reforma, and when the conservatives accepted this as a basis for discussion Lerdo laid the matter before Juárez.⁹¹ Juárez rejected the proposal, indicating that the time had passed in which the conservatives could negotiate a settlement and that any attempt now would only be divisive for the liberals.⁹²

The entry of Juárez into Mexico City on January 11, 1861, marked the formal end of the civil war which for three years had consumed almost all Mexico's energies, had diverted the liberals from their program of reform and development, and had caused immeasurable damages to those elements upon which economic development depended. The termination of the civil war coincided with other developments which, taken together, marked a sharp break in Mexican-American relations. The Republican electoral victory of November 1860 touched off an internal American crisis which would consume all the American energies and attention for the next five years. This American crisis was accompanied by and contributed to new crisis in Mexico where the French, seizing the opportunity afforded by American preoccupation elsewhere, used the decision of the victorious but bankrupt Juárez government to suspend payments on the national debt as a pretext

to mount an intervention designed to establish a French-dominated monarchy in Mexico. As the simultaneous crises developed all meaningful economic relations between Mexico and the United States were suspended, although tenuous political relations were maintained by the Juárez government with Washington until the crises had passed.

Throughout Mexico's civil war the policy pursued by the Americans, whom the liberals considered as their "natural" allies, had worked to their detriment. At almost any point between January 1858 and late 1860 a generous American policy toward the Juárez government would have served to shorten the civil war. The liberals, seeking a protected status as a positive end in itself and as a means of gaining access to American credit, gave the Americans many opportunities to adopt a generous policy. Forsyth, Churchwell, and McLane were or became convinced of the wisdom of giving moral and material support to liberal government in Mexico. They were supported in this view by a number of private Americans with economic interests in Mexico, most notably Butterfield, who worked incessantly as a propagandist. The effort by the Juárez government to secure American aid through a protectorate arrangement, now labelled an alliance, and the granting of economic concessions followed the pattern established during the Comonfort administration and won the support of official and private Americans in Mexico.

The efforts of those seeking to put Mexican-American

relations on a new and more intimate basis failed due to American adherence to traditional goals and attitudes toward Mexican affairs. Buchanan, seeking to leave an impressive territorial acquisition as a monument to his administration, refused to abandon his attempts to acquire vast portions of northwest Mexico. In view of past history, he refused to believe that Mexicans could refuse to see the expediency of raising money through the sale of land. Recognition was granted to Zuloaga rather than Juárez by Forsyth largely because he believed the former more tractable on the territorial question. After breaking relations with the conservatives, Buchanan delayed recognition of the liberals for months, during which he threatened to seize portions of Mexico for force, as a means of convincing the liberals that only the sale of territory would secure American recognition.

In the pressure-filled diplomatic negotiating and maneuvering that accompanied and followed recognition, the liberals, led by Ocampo, achieved what advantage there was to be held. They secured recognition by appearing to give in to American demands for territory, but once recognition was secured they proved to be very astute at finding ways to side step the question and to divert American attention elsewhere. These efforts bore fruit when Buchanan agreed to postpone territorial transfers until the Juárez government had been strengthened by American aid given in return for commercial privileges. The resulting McLane-Ocampo treaties were a clear victory for the Mexicans; they forced

the Americans to pay for agreements which the liberals had long been anxious to make, agreements which would establish closer economic ties between the two countries and would secure American capital and technology for Mexican development. In the convention to enforce treaty obligations the liberals also acquired in disguise the long-sought protected status. Only the deteriorating congressional position of Buchanan's party and the growing sectional crisis in the United States prevented the ratification of the treaties and some effort at realization of the policy contained in them. As it was, the liberals were able to use the prospects of American aid and protection to bring the civil war to a close. But the Buchanan policy of denying official credit to the liberal government had contributed to the prolongation of the civil war and to the creation of conditions under which private American investors were unwilling to risk their capital on projects in Mexico.

Matías Romero, speaking as the Mexican minister to a New York audience in 1864, lamented the loss of this opportunity to draw the two republics closer together. Pointing to Mexico's great natural resources, Romero noted that "Mexico . . . is the most appropriate field for the enterprises of a commercial nation. Sagacious England perceived it some years ago and . . . has secured a greater part of the commerce of Mexico than other foreign nations." France, he said, was now intervening in an attempt to control that wealth. The Americans should have secured a dominant position in the Mexican economy years before.

The United States are better situated than any other to avail themselves of the immense wealth of Mexico. Being a nation next to our own, they have facilities for carrying on the frontier and coastwise commerce, and, being inferior to no other people in riches, activity, intelligence, and enterprising spirit, are called by nature to develop the great resources of Mexico.

We are desposed to concede to them all the commercial advantages not inconsistent with our independence and sovereignty. When this shall have been done, the United States will derive all the advantages which they might obtain from annexation of Mexico, without suffering any of the inconveniences which such a step would produce. When we shall have arrived at that situation, our common political and civil interests will give us a common policy, entirely continental and American, which no European nation will misunderstand with impunity.

Romero felt that the Americans had failed to act on this opportunity during the 1850's only because slavery interests had dictated a policy of territorial expansion.⁹³

Romero's assessment of the situation and his view of the appropriate form for Mexican-American relations bear a striking similarity to views expressed during the previous decade--Forsyth, McLane, Miguel Lerdo, and Mata would have found Romero's words agreeable.

NOTES

1 MRE to Mata, p. 204, H/110(73:0)"858-59/1, ASRE.

2 Robert M. McLane, Reminiscences, 1827-1897 (n.p., privately printed, 1903), pp. 143-144.

3 McLane's despatches #2-5 are missing from the files of the National Archives. Summaries of the missing despatches, contained in vol. 13, NA/RBO, and scattered Mexican archival material suggest that from the beginning Ocampo and McLane avoided taking clear positions of the boundary question.

4 McLane to Cass, Apr. 21, 1859, NA/DD.

5 Vol. 13, NA/RBO.

6 Cass to McLane, May 24, and July 30, 1858, NA/DI.

7 Negotiation details were reconstructed from four archival sources: McLane's despatches with enclosures, diplomatic post records (Mexico), and Reports of bureau officers, vol. 13, all in NA, and H/110(73:0)"858-59"/1, ASRE.

8 Mata to Ocampo, May 19 and 23, 1859, 8-4-121 and 122, AHINAH.

9 Notes between McLane and Ocampo relative to the Tacubaya incident and the alliance proposal are scattered among McLane's despatches, the diplomatic post records (Mexico), and H/110(73:0)"858-59"/1, ASRE; Roeder, Juárez, 1:196-202, has the most dispassionate account of the Tacubaya incident.

10 Vol. 13, NA/DPR.

11 Instructions to McLane from late June forward consistently held an alliance was unacceptable. The most direct rejections were Cass to McLane, July 19, and Nov. 4, 1859, NA/DD.

12 McLane to Cass, June 25, 1859, NA/DD.

13 Mata to Juárez, July 2, 1858, 1-32, JM; Ocampo to Mata, Apr. 7 and 23, 1859, H/110(73:0)"858-59"/1, ASRE; and Mata to Ocampo, Feb. 19 and May 6, 1859, 8-4-114 and 120, AHINAH.

14 H/110(73:0)"858-59:/1, and NA/DPR.

15 McLane to Cass, Apr. 21, 1859, NA/DD.

16 McLane to Cass, June 25, 1859, NA/DD.

17 Cass to McLane, May 24, 1859, NA/DI.

18 Ocampo to McLane, July 9, 1859, NA/DPR/FM.

19 Shaw, Butterfield, p. 4, and Butterfield to Plumb, July 21, 1861, 4-2-5624, ASRE.

20 P. 46, H/110(73:0)"858-59"/1, ASRE, and Mata to Ocampo, May 6, 19, and 23, and June 3, 1859, 8-4-120, 121, 122, and 123, AHINAH.

21 The otherwise unidentified brother-in-law may have been Colonel Joseph E. Johnston, husband of McLane's sister. Johnston accompanied McLane to Veracruz and was named as

the American surveyor in the agreement of Apr. 25, 1859.

22 Mata to Ocampo, Apr. 14, May 6, 19, and 23, and June 3, 1859, 8-4-118, 120, 121, 122, and 123, AHINAH.

23 Roeder, Juárez, 1:202-209.

24 Manifesto, July 7, 1859, reproduced in Ocampo, Obras, pp. 113-142.

25 Decree enclosed with McLane to Cass, July 12, 1859, NA/DD.

26 McLane to Cass, July 12, 1859, NA/DD.

27 Ocampo reviewed the issuance of this decree in a pamphlet published in 1861 and reprinted in Ocampo, Obras, pp. 151-204.

28 Mata to Ocampo, Apr. 14, 1859, 8-4-118, AHINAH.

29 Mata to Ocampo, Sept. 15, 1859, 8-4-139, AHINAH.

30 Mata to Ocampo, Sept. 19, 1859, 8-4-140, AHINAH.

31 McLane to Cass, June 6 and July 10, 1859, NA/DD.

32 Cass to McLane, July 30, 1859, NA/DI.

33 Funcionarios, p. 73.

34 McLane to Cass, Aug. 27, 28, and 31, 1859, NA/DD.

35 Temple, "Memoria justificativa," pp. 12-19.

36 Black to McLane, Apr. 14, 1859, NA/DPR.

37 Numerous such petitions were enclosed with the consular despatches from Veracruz and Tampico during 1858-59.

38 Cass to McLane, Nov. 4, 1859, NA/DD.

39 Mata to Ocampo, Sept. 19, 1859, 8-4-140, AHINAH.

40 Mata to Ocampo, May 6, 1859, 8-4-120, AHINAH.

41 Letter, Apr. 27, 1859, in Díaz, Versión francesa, 2:79-82.

42 Villaseñor, Anton Lizardo, pp. 116-117; Fuentes Mares, Juárez, p. 137; and Gabriac to Paris, Nov. 27, 1859, in Díaz, Versión francesa, 2:119-121. Details of the negotiations and treaty with Spain are in El tratado Mon-Almonte.

vol. 13 of Archivo histórico diplomático mexicano (Mexico City: Porrúa Editorial, 1971, reprint of 1925 edition by Secretaría de Relaciones Exteriores of México).

43 Manuel Payno, México y sus cuestiones financieras con Inglaterra, la España y la Francia (Mexico City: Cumplido, 1862), pp. 254-276. This was the famous Jecker loan which later served as a pretext for the French intervention.

44 Scholes, Mexican Politics, p. 35n.

45 McLane to Cass, Dec. 7, 1859, NA/DD.

46 Roeder, Juárez, 1:211, and Fuentes Mares, Juárez, p. 137.

47 Mata to Ocampo, Sept. 19, 1859, 8-4-140, AHINAH.

48 Mata to MRE, Nov. 4, 1859, pp. 235-242, H/110(73:0) "858-59"/1, ASRE.

49 Cass to McLane, Nov. 21, 1859, NA/DD.

50 Richarrrson, Messages and Papers, 5:563-570.

51 McLane to Cass, Nov. 21, 1859, NA/DD.

52 McLane to Cass, Dec. 7, 1859, NA/DD.

53 McLane to Cass, Dec. 15, 1859, NA/DD.

54 Copies are in "unperfected treaties" file, NA.

55 Cass to Forsyth, Nov. 17, 1857, NA/DD.

56 Ocampo to Mata, Dec. 19, 1859, p. 252-254, H/110(73:0) "858-59"/1, ASRE.

57 Funcionarios, p. 78.

58 Mata to MRE, Jan. 6, 1860, p. 256-259, H/110(73:0) "858-59"/1, ASRE.

59 MRE to Mata, Jan. 28, 1860, p. 260, H/110(73:0) "858-59"/1, ASRE.

60 MRE to Mata, May 5, 9, and 15, 1860, pp. 325, 327, and 330, H/110(73:0) "858-59"/1, ASRE.

61 MRE to Mata, June 15, 1860, p. 336, H/110(73:0) "858-59"/1, ASRE.

62 Expediente 10 of H/110(73:0) "858-59"/1, ASRE,

contains numerous papers relating to Dunbar's activities.

63 Protest, Dec. 17, 1859, enclosed with McLane to Cass, Dec. 22, 1859, NA/DD.

64 Villaseñor, Anton Lizardo, p. 215.

65 Scholes, Mexican Politics, pp. 36-37.

66 Valades, Ocampo, pp. 362-363.

67 McLane to Cass, Dec. 22, 1859, NA/DD.

68 McLane to Cass, Jan. 21, 1860, NA/DD.

69 Cass to McLane, Jan. 7, 1860, NA/DI.

70 James Morton Callahan, American Foreign Policy in Mexican Relations (New York: Macmillan Company, 1932), 271.

71 Mata to MRE, Mar. 16, 1860, p. 303, H/110(73:0) "858-59"/1, ASRE.

72 Mata to MRE, Mar. 16, 1860, p. 303, H/110(73:0) "858-59"/1, ASRE.

73 Mata to MRE, Apr. 17, and May 9, 1860, pp. 305-323, H/110(73:0) "858-59"/1, ASRE.

74 Callahan, American Foreign Policy, p. 271, and Mata to MRE, June 1, 1860, pp. 335-337, H/110(73:0) "858-59"/1, ASRE.

75 McLane to Cass, Jan. 21, 1860, NA/DD.

76 Elgee to Cass, Mar. 6, 1860, NA/DD.

77 Cass to McLane, Apr. 28, 1860, NA/DI.

78 No objective study has been made of this incident. The best, but unobjective, is Fuentes Mares, Juárez, pp. 172-180. The most detailed study, but very biased, is Villaseñor, Anton Lizardo, pp. 11-58.

79 Mata to MRE, June 27, 1860, p. 343, H/110(73:0) "858-59"/1, ASRE.

80 Scholes, Mexican Politics, p. 37.

81 Romero to MRE, Sept. 5, 1860, in Juárez, Documentos, 3:11-13.

82 Knapp, "Precursors," p. 50.

83 MRE to Mata, Feb. 3, 1860, I/131/1873, ASRE.

84 Mata to Ocampo, Feb. 29, 1860, 8-2-10, AHINAH.

85 Mata to MRE, Mar. 2, 1860, I/131/1873, ASRE.

86 M. Lerdo, hacienda, to MRE and MRE to Mata, Feb. 2, 1860, I/131/1873, ASRE.

87 Mata to MRE, Mar. 2, 1860, I/131/1873, ASRE.

88 Despatches from Gabriac to Paris on the McLane treaties, the need for intervention, Gabriac's efforts to secure support among the diplomatic corps and Mathew's efforts as a mediator, together with notes between Paris and London on Mexican policy, are in Díaz, Versión francesa, 2:123-163. Letters exchanged among Mathew, Black, and the American legation at Veracruz are enclosed with despatches from the legation Dec. 1859-June 1860.

89 The change in French policy is outlined in instructions to Saligny, May 30, 1860, and Saligny's memorandum on Mexican affairs, June 7, 1860, in Díaz, Versión francesa, 2:164-176.

90 Lerdo's earlier peace efforts are summarized in Scholes, Mexican Politics, pp. 38-39.

91 M. Lerdo to Juárez, Nov. 4, 1860, in Juárez, Documentos, 3:31-32.

92 Juárez to M. Lerdo, Nov. 8, 1860, in Juárez, Documentos, 3:38.

93 Proceedings of a Meeting of Citizens of New-York, to Express Sympathy and Respect for the Mexican Republican Exiles, Held at Cooper Institute, July 19, 1865, with an Appendix Containing the Speeches of the Hon. Matias Romero, Envoy Extraordinary and Minister Plenipotentiary of the Mexican Republic in the United States at Two Banquets Previously Given in New-York (New York: John A. Gray & Green, 1865), app., pp. 49-57. A more polished version of this speech is given in Matias Romero, Mexico and the United States. A Study of Subjects Affecting Their Political, Commercial, and Social Relations Made with a View to Their Promotion (New York: G. P. Putnam's Sons, 1898), pp. 383-387.

CHAPTER VII ENTREPRENEURS AND OPPORTUNITIES

The previous six chapters have been devoted to an analysis of liberal attitudes toward economic development and toward the United States and to an accounting of how these attitudes affected relations between the two countries. The activity of private individuals have been ignored except in those cases where they had a more or less clear bearing on government to government relations. This chapter will focus on the American businessmen, investors, and speculators who were active in Mexico and on matters relating to their economic interests in Mexico.

Americans in Mexico during the Reforma faced a challenging and unique set of circumstances. They were operating in an alien and often hostile environment. Their ideas about Mexican resources and conditions were often woefully naive. Frequently they accepted without question the most exaggerated claims concerning the exploitable wealth of Mexico. This lack of familiarity with the economic terrain caused many to underestimate the difficulties of projected activities and frequently to pursue projects which had little or no prospects of success. Others demonstrated an admirable ability to select the more feasible and profitable projects. Ignorance of or insensitivity to the fluctuations of

partisan politics in Mexico resulted in some Americans suffering severe damages as a result of political changes, while others were more knowledgeable or lucky in coping with sudden changes.

The motivations and methods of operation of the Americans varied over a broad spectrum. While it is safe to say that they were all motivated by a desire for profit, the nature of that profit and the methods employed to attain it varied greatly. Some came as filibusterers to profit from war and the loot of conquest; some only sought concessions and contracts for resale to gullible investors elsewhere; and some appear to have been or to have become sincerely concerned with the prospects of assisting in Mexican development and stimulated equally by the challenge of the task to be done and the profits to be gained. In developing their projects some Americans tried to remain aloof from Mexican politics and society; others merged themselves in both. Frequently Americans developed personal friendships with government officials and gave support to the political ideology espoused by them. Each side apparently expected to reap benefits from these relationships. Mexican officials frequently expected to share in the profits. They also expected the Americans to support their political cause and to undertake difficult missions for the government. In return the officials were looked to for protection and promotion. Although the evidence is less conclusive there appears to have been a similar relationship between certain

Americans and their own officials. In both countries, governments were willing to use private business interests to further political objectives.

Of the many Americans active in Mexico, Carlos Butterfield was the most notable for the duration, range, and intensity of his involvement. Butterfield's activities in Mexico can be traced back to at least 1845 and he was still engaged as late as 1869. In addition to the Gulf mail steamer service mentioned earlier, his activities included service in the Mexican army, diplomatic agent for various conservative and liberal Mexican governments, diplomatic courier for the United States, arms agent for various Mexican regimes, purchaser of church property, loan agent and propagandist for the Juárez government, and the most prolific and insistent proponent of vigorous American economic expansion in Latin America. In addition to his Mexican activities, Butterfield appears to have been involved in Cuba and Venezuela, and at his death in 1880 his estate included a pending claim against the Danish government for over \$1 million for unspecified damages suffered in the Danish West Indies.

Little is known about Butterfield's life prior to the Reforma period. A few facts can be gleaned from a small pamphlet written, apparently in 1879 but not published until after 1897, by William Henry Shaw as a part of a campaign in support of Butterfield's claims against Mexico. The pamphlet, entitled General Carlos Butterfield and His Labors in Behalf

of International Prosperity on the American Continent¹ contains a few references to the subject's early life and most importantly includes a collection of letters from Mexican and American public figures commending various phases of his career. These are almost the only source of information on Butterfield prior to 1853 when evidence of his activities begin to appear in Mexican and American archives.

Butterfield was a native of upstate New York, born between 1816 and 1820 and probably christened Charles. Although he sprang from the same geographic area as John Butterfield, founder of the Butterfield State Lines and American Express, there is no evidence available to indicate whether there was any kinship.² He was a graduate of a military academy but there is no record that he attended West Point or ever served in the American army.³ After graduation he accepted a commission as a military engineer in Cuba where he remained for four years before moving to Mexico some years prior to the Mexican-American war. Here he was commissioned as a colonel in the Mexican army.⁴ He served as aide to Santa Anna at some point before the war, but when it came he refused to serve and was released from service. He was appointed alcalde of Veracruz by the American military authorities.⁵ Over the succeeding years Butterfield served as diplomatic and financial agent in Europe for the Arista government and held various official positions under the administrations of Herrera, Arista, and Santa Anna.⁶ Two of the American ministers to Mexico during the immediate post

war period, Alfred Conkling and Nathan Clifford, later attested to Butterfield's friendship and assistance during their stays in Mexico.⁷

It was during the last administration of Santa Anna that Butterfield assumed a more visible role in matters of state. After the dictator's return to power, Butterfield reassumed his commission in the Mexican army, as a result of which a law of January 30, 1854, bestowed Mexican citizenship on him.⁸ He was credited by Santa Anna with playing an active but undefined role in the negotiation of the Gadsden treaty.⁹ Since Gadsden later praised Butterfield for his entrepreneurial skills and for his good advice,¹⁰ the active role may have been to exercise a friendly influence over the American minister. After the signing of the treaty, he was appointed as the Mexican agent to accompany it to Washington and "to use every means in [his] power to obtain [its] ratification."¹¹

Butterfield had a special interest in the treaty, since during the previous September, he, acting as agent for the war ministry, had contracted in New York for the purchase and fitting out of two war steamers for the Mexican navy and he was now directed to use funds secured by the treaty to cover these expenses. During 1854, he received \$267,000 of treaty funds for the steamers account.¹² He submitted a claim for additional compensation to the mixed claims commission in 1871, but the commission ruled it had no authority to consider the claim since Butterfield was a citizen of

Mexico at the time of the action in question and had been employed by the war ministry to make the purchases.¹³

The purchase of war steamers for Santa Anna was in keeping with the role of arms supplier which Butterfield played on numerous occasions. His earlier missions as financial agent to Europe had included authority to purchase arms with the money secured as loans. In arms deals Butterfield was motivated by profits not politics. While in New York to secure money to cover the war steamers for Santa Anna, he met Comonfort and decided to help the Ayutla rebels secure arms. In September 1854, on a purely speculative basis, he acquired a steamer and a bark, loaded them with military supplies, and sailed for the Mexican west coast, where he hoped to sell the ships and their cargoes for \$500,000. A storm forced the vessels to put in at St. Thomas where they were detained for several months and apparently did not arrive at their destination until after the fall of Santa Anna.¹⁴

After the fall of the Comonfort government, with which he had signed a lucrative contract for mail steamer service, Butterfield's arms activities became more partisan and assumed a greater sense of urgency. He saw great possibilities in the steamship line but only if the liberals were victorious. To aid them, he was willing to extend as much arms credit as his resources permitted.¹⁵ His involvement with arms sales appears to have continued during the period of the French intervention; in 1867 he sought to

interest Mexico in military observation balloons, indicating that Brazil and other Latin American countries had already acquired them.¹⁶

Butterfield, in his efforts to support the liberal government, also used propaganda and his influence in high American political circles. Mata's communications to Ocampo and to the foreign ministry contain frequent references to Butterfield's efforts to create a favorable image for the Mexican liberals and their government. His efforts to secure support in the American congress for his steamer line also served to give favorable publicity to the liberal cause. He worked closely with Mata during the fall of 1858 to convince Buchanan to extend recognition. Buchanan solicited his written views on Mexico in December and a desire to verify the information supplied by Butterfield may have influenced Buchanan's decision to send Churchwell on the special mission to Mexico.¹⁷ When Buchanan decided to receive Mata officially he asked Butterfield to inform Mata in New York, and Butterfield accompanied Mata to the White House to present his ministerial credentials.¹⁸

In his propaganda activities Butterfield gave favorable treatment to the economic and social as well as political aspects of the liberal reform program. The liberals program to break the power of the Church and to force the sale of church property was seen as the most significant portion of the liberal effort to reform Mexico. In this regard it is interesting to note that during the period

October-December 1856 Butterfield was among the most active foreigners in purchasing church property. As noted earlier, he was involved in the purchase of 29 pieces of property in the Federal District with a value of \$174,328.

The Juárez government recognized his efforts on behalf of the liberal cause, although Butterfield never felt that he had been adequately compensated.¹⁹ On March 20, 1859, Juárez wrote Butterfield that he was "most grateful for your efforts and the sacrifices you have made in behalf of the sacred cause I represent" The prospects for a liberal victory had greatly improved, Juárez declared, as a result of "your fidelity towards a country to which you have always proved yourself so good a friend."²⁰ One method used to reward Butterfield was to grant extensions of time on his 1857 contract for the steamer service. Applications for extensions made in 1859 and 1861 were approved on the grounds that civil war conditions, first in Mexico and then in the United States, had prevented him from carrying out the contract provisions and that he had been of great service to the liberal cause.²¹

How and when Butterfield first became interested in the possibilities of a steamship operation in the Gulf is not clear. He had developed a project along these lines and had secured the cooperation and approval of senior Mexican officials and of the American minister as early as the summer of 1856. The idea of having the steamship line covered by a postal treaty in which a subsidy would be provided by each

country seems to have originated with Butterfield. Gadsden credited him with having negotiated the postal treaty which was aborted by the death of de la Rosa in August 1856.²² The postal treaty subsequently signed by Forsyth was substantially the same as that negotiated earlier and the few changes which Forsyth advocated suggest that he was being advised by Butterfield.²³

The role, if any, played by Butterfield in developing the concept of an economic protectorate, which was the basis for the Forsyth treaties, is also unclear, but the postal treaty with its provision for weekly steamer service between New Orleans and Veracruz was in keeping with that concept. Provisions in the treaty relative to the commercial regulations to be applied to the steamers made it obvious that Butterfield's ambition was not to operate a subsidized but unprofitable mail service. After the failure of this approach he secured a contract and subsidy from the Comonfort government in December 1857 which was not dependent upon any treaty. During the next three years Butterfield sought to secure American congressional approval of an indirect subsidy for his line in the form of a generous mail contract. To support this request he argued that such a line would produce great economic and commercial benefits for the United States. He compiled statistics, endorsements, opinions, etc. supporting the need for commercial expansion in Latin America and illustrating the role which his steamer line would play in this expansion. He published the results several times under varying titles during the period 1858-1861.²⁴

The suspicion that Butterfield may have made some contribution to the development of the idea of an economic protectorate is further enhanced by his activities in the post civil war period. By 1866 he had prepared English and Spanish versions of a work stressing the importance of a hemispheric policy of economic cooperation and political solidarity. Using statistics and arguments which had appeared in his pre-war writings and adding new ones, Butterfield proposed the extension to all Latin America of the policy contained in the Forsyth treaties of 1857.

An anonymous pamphlet, which seems clearly to have been Butterfield's work, called for the United States to take the lead in a hemispheric alliance for mutual protection and economic development. The United States should guarantee Latin America against internal revolutions and European intervention. In return the United States should be rewarded with preferential treatment in trade, investment, and other economic matters. The immediate goals of this alliance would be to secure the hemisphere against European influence and intrigue, to provide for stable government and peace in Latin America, and to secure the means for the United States to pay off its civil war debt quickly and painlessly.

To maximize the economic benefits of the alliance it called for the establishment in Washington of a bureau to serve as a clearing house for commercial information. "Under the auspices of the contracting Powers . . . [it would be] charged with the duty of collecting and preserving accurate

information of all the countries involved, reporting to the governments . . . with a full and detailed annual report, showing the progress in industry, population, commerce, and wealth" and recommending developmental programs for the future. With the reliable data on hemispheric markets provided by the bureau, "the merchant would be at no loss in making up a cargo and choosing its destination, and purchasers would be furnished with the means of deciding where to procure on the best terms whatever commodities they might require. Capitalists desirous of embarking in mining, manufacturing, or other enterprises" would find here all the data they needed, "while inventors, engineers, and other men of skill and ingenuity would be directed to appropriate and remunerative fields of labor."²⁵ These recommendations represented a systematic and detailed development and expansion of those ideas discussed by Lerdo and Forsyth in 1856. They also represent an early elaboration of the ideas which led to the establishment of the Commercial Bureau of American Republics in 1889.

The types and patterns of relationships and activities revealed in the Butterfield case differ very clearly from those surrounding the activities of John Temple of New York and his son-in-law, Gregorio Ajuria, a rich Spaniard living in New York. Less is known about their backgrounds than was the case with Butterfield. Their activities subsequent to 1854 indicate that they were well to do; Diccionario Porrúa²⁶ refers to Ajuria as a Spanish millionaire. But there

is nothing to indicate the source of their income or the nature of their business. There are indications that both men had interests in Mexico and that both were in Mexico City during the winter and early spring of 1854.²⁷ What these interests were and what, if any, contacts they may have had with the liberal leaders is not known.

What is known is that when Comonfort travelled to the United States that summer in search of credit he found Temple and Ajuria his major sources. On October 11, 1854, Temple and Ajuria provided Comonfort with \$60,000 which was to be repaid with half the net proceeds of the Acapulco custom-house.²⁸ There appears to have been an additional agreement to repay the creditors a total of \$250,000 if the revolution succeeded.²⁹ An order was issued by Alvarez, on December 11, 1854, to the administrator of customs at Acapulco to begin making the payments required by the loan contract.³⁰ How much of this loan may have been repaid and the connections, if any, between this loan and the subsequent mint lease are not clear, as will be shown below.

The leasing of the Mexico City mint became the key feature of the activities of Temple and Ajuria after the liberal victory in August 1855. The leasing of mints to private operators was an established practice during this period; in addition to the mint in the capital there were mints at Guanajuato, Zacatecas, Culiacán, Chihuahua, San Luis Potosí, Guadalajara, and Durango, with all but the last three operating under lease arrangements. The mint in the capital had

been leased to a Mexican group on February 23, 1847, for a ten year period, with a provision that during last year of the contract the government could begin negotiations for a new contract, with the leaseholder being given preference over other applicants. In June 1856 hacienda invited new bids without success; the leaseholding company, owned by the wealthy Escandon and Beistegui families, indicated no desire to renew the lease.

A few weeks later Alejandro Bellangé, a French businessman, and Ajuria made an offer in the name of Bellangé and Temple. The nature of this offer and the speed with which it was handled suggest that all the questions had been arranged in advance with Miguel Lerdo, minister of hacienda. The proposal was made on June 28 and contained a provision requiring acceptance within three hours. It was accepted by hacienda at 1:00 P.M. The current leaseholders were then given five hours in which to make a better offer, rather than the nine days provided for in their contract, and when no response was received by 6:00 p.m. a contract was signed with the Temple interests.³¹ The willingness of the applicants to meet all the conditions set down in the invitation for bids plus a voluntary offer of loan of \$200,000 at a low rate of interest increases the suspicion that the matter had been prearranged.

On the surface the terms of the contract were very favorable for the immediate needs of the treasury. The new leaseholders agreed to pay \$200,000 for the right to operate

the mint for ten years, \$100,000 for the right to collect a 1% tax on all monies coined for a period sufficient to recover the \$100,000 plus 6% interest, to pay all indebtedness of the government to the previous leaseholders, and to loan the treasury an additional \$200,000 to be repaid with customs exemption certificates in the amount of \$20,000 monthly. This \$500,000 would be most welcome to Miguel Lerdo who had assumed the hacienda post in late May during a crisis created by the inability of the government to cover short term credits secured to suppress a recent uprising in Puebla.

In his Memoria, Lerdo hinted at a connection between the Puebla debts and the new mint contract.³² The connection was made clear by El heraldo; as a part of the total agreement hacienda was required to use the \$500,000 acquired by the contract to repay a short term loan of \$200,000 to Manuel de Lizardi and a debt of \$180,000 held by Ajuria, Temple's agent in the lease negotiation.³³ The former transaction probably covered the Puebla debt, while the latter suggests that the whole mint contract may have been a means of converting into a more acceptable and secure form the balance remaining on the loan made to Comonfort in New York in 1854. The legality of the contract was challenged by the previous leaseholders who offered to meet all the terms of the new contract without restricting the uses to which the government could put the \$500,000. When this was refused, an appeal was made to congress without success; the Bellangé-Temple contract was confirmed by congress on October 21, 1856.³⁴

The new leaseholders assumed control of the mint early in 1857 and reported prosperous and untroubled operation until the fall of the Comonfort government in January 1858.³⁵ Each of the eight mints had a corresponding mining district and all gold and silver mined in a district had to be submitted to the district mint for processing. The most important mines in the Mexico City district were those at Pachuca and Real del Monte, the latter owned by the same interests which had lost the mint lease to Temple and associates. Mint operators were allowed to collect sizeable fees for the refining and minting operations. The Mexico City mint, second in value of operations only to that of Guanajuato, coined slightly less than five million pesos annually during this period, mostly in silver.³⁶ The new leaseholders improved their position by additional loans to the government which allowed them to collect and retain various mining taxes and by modification of many of the terms of the lease contract.³⁷

The business relations among Temple, Bellangé, and Ajuria were not revealed in any detail nor were the terms of ownership of the mint lease spelled out. The initial contract appeared to make Bellangé and Temple equal partners but soon all reference to Bellangé disappeared. Although Ajuria frequently appeared as agent for Temple, whether he was also part owner of the lease is not known.

Regardless of possible part ownership of the mint lease, Ajuria had enough interests to keep him occupied. In addition to serving as his father-in-law's agent, Ajuria

owned and edited the newspaper El estandarte nacional and was reputed to be the principal friend and adviser of Comonfort. The decision of the government to discontinue publication of El diario oficial and to give Ajuria's journal the task of publishing official notices and government's views reflected the importance of Ajuria's relationship with Comonfort.³⁸

Ajuria participated in a \$500,000 loan to the government during the fall of 1856.³⁹ In the closing months of 1857 as Comonfort maneuvered for support to govern outside the constitution, Ajuria became the president's agent to contact various groups and explore possible grounds of agreement.⁴⁰ Ajuria's identification with Comonfort and his political intrigues were such that the president advised him to keep his affairs arranged so that he could leave the country at a moment's notice if government should be overthrown.⁴¹ In late 1857 Ajuria reported that he had made arrangements for both him and Comonfort to do so.⁴²

Ajuria's preparations for immediate flight were put to use in early 1858. During January Temple, his wife, and Ajuria sailed from Veracruz for New Orleans, while Comonfort and much of his official family followed during the first week of February.⁴³ Before leaving the capital Comonfort deposited his personal effects with the mint and made its director responsible for his personal affairs. Details of this activity suggest that Comonfort's support of development programs may not have been disinterested. Pedro de Arriaga was authorized to collect \$18,000 in railroad stock

from Antonio Escandon which had been due Comonfort in 1857.⁴⁴

If this stock was given in return for favorable government action on Escandon's project for the Veracruz-Mexico City railroad, it was not an unknown practice. When Edward L. Plumb made his mining survey in early 1857, he brought a supply of stock certificates to secure favorable action by key leaders. He was surprised when Juan Alvarez gave his support without requiring compensation.⁴⁵ The previous year, however, Alvarez had accepted eighteen shares in an undisclosed project being promoted by English investor Ewen Mackintosh.⁴⁶

The fall of the Comonfort regime marked the beginning of a time of troubles for the operators of the Mexico City mint. Even before Comonfort fled the city, conservatives occupied the mint and seized all funds.⁴⁷ The new Zuloaga government was sympathetic to the owners of Real del Monte and began to shift privileges from the mint to the Monte company. The new government reviewed and revised the entire lease contract, removing without compensation privileges purchased earlier. The civil war was accompanied by conditions injurious to the mint--mines were abandoned, some were purposely sacked, and shipments from the mines to the mint became more difficult. As a result of liberal control of coastal areas, the conservatives prohibited the export of gold and silver, while the liberals encouraged the export of unminted metals, both actions damaging to the mint.

Frequently the mint became a helpless pawn. Temple attempted to make both governments recognize the validity of the mint contract, but this only encouraged each regime to avoid responsibility by shifting the blame to the other. By the second half of 1859 the operations of the mint were suspended as the Miramon government took an uncompromising position on its ability to control the mint's operation without reference to the contract signed by Comonfort.⁴⁸ Temple later presented claims for \$1,064,245.42 for damages suffered during the civil war, but he stressed as most unjust the conservatives forcing the mint to pay \$43,200 in taxes owed by Ajuria, simply because he was Ajuria's father-in-law.⁴⁹

The liberal victory improved Temple's position only slightly. Temple and his agents did not have the influence with Juárez which Ajuria had had with Comonfort. Protests by Temple's agents and representations by the American legation caused the Juárez government to express sympathy for the plight of the mint and to indicate a desire to do justice. Conditions, however, were against him. In winning the civil war, the liberal government became responsible for Mexico's traditional debts plus those incurred by both factions during the war. In such circumstances sympathy and justice were secondary to the question of securing credit. Escandon and others involved in the Pachuca mining area were more able or willing to extend credit to the government than Temple. They continued to receive special privileges which

Temple considered as violations of his mint contract, especially permits to export unminted bullion.

The year following the end of the civil war was filled with increasing problems for the mint. Temple was unwilling to compromise with the government and constantly sought diplomatic and consular protection. The crushing blow came on the day of the Mexican victory over the French at Puebla. On May 5, 1862, hacienda officials and government troops entered the mint and seized all the funds, those of Temple and those of private parties using the mint. Temple's claims for damages during the civil war and the subsequent French intervention troubled relations for another decade.⁵⁰

Although Temple was probably unaware of it, the financial position of the government had been so critical in early 1861 that in return for a loan it agreed to conditions which would have ruined all the mints in Mexico. In March 1861 the government agreed to give the New York bankers, Duncan, Sherman, and Company an exclusive 20 year privilege to mint Mexican silver pesos in San Francisco. The agreement, made by William Churchwell, fell through when the bankers refused to meet the contract conditions.⁵¹

From the little that can be gleaned about his activities, Gabor Napheghy appears to have been the most successful American entrepreneur in Mexico during the Reforma. As noted earlier there is some doubt as to his nationality. Jan Bazant, in his study of the sale of church property, refers to him as a refugee Hungarian physician with business interest

in Puebla and as a major purchaser of church property in that city.⁵² Contemporary sources, newspapers, and French despatches, however, refer to Napheggy as an efficient and respected American businessman.

Napheggy's first major undertaking was to supply gas lighting for the city of Veracruz during the Santa Anna regime. Miguel Lerdo, in his history of Veracruz, describes with unconcealed admiration Napheggy's generating plant which, when finished in 1855, supplied the city with gas for street and residential lighting. The plant had been built under a contract with the ayuntamiento. Napheggy was required to supply the city with gas for lighting for fifteen years. He was to be paid \$14,000 per year for the first five years, \$12,000 for each of the next five, and \$8,000 annually for the remaining five. At the end of the fifteen years, the plant and distribution system would become property of the city. The speed and efficiency with which the project was completed established Napheggy's reputation as a leading entrepreneur. In 1857 he sold the gas works to the city for \$72,000.⁵³

Napheggy's next significant project was a gas lighting system for Mexico City. Alfred Bablot, a radical French refugee, had started the Mexico City project while Napheggy was busy in Veracruz but progress had been so slow that by 1856 Mexico City editors despaired of ever seeing their city lighted. The prospects were seen as greatly enhanced by Napheggy's entry into a partnership with Bablot in June

1856. With Napheghy in charge, the editors were confident that work would go forward expeditiously and efficiently.⁵⁴ They were not disappointed with the show of activity which followed Napheghy's entry into the firm. He departed within a few days for the United States to secure financing and materials for the new project. In October he returned with a ship load of the latest equipment for gas generation and distribution.⁵⁵ By December the work of laying the distribution lines was in full swing.⁵⁶ On August 2, 1857, the bishop and civil officials joined in a ceremony to dedicate the gas plant and to celebrate the inauguration of gas service for the city.⁵⁷

Napheghy's trip to the United States during the summer of 1856 was not restricted to matters of interest to the gas works but also involved him, at his request, in two official missions for the fomento ministry. He requested to be authorized to study the new machines on the American market, particularly agricultural machinery, and to secure models of machines and patents which could be put to use in Mexico.⁵⁸ When he returned in October the newspapers reported on three machines which he had brought, two advanced types of washing machines and a machine to manufacture bricks from sand.⁵⁹ In December, however, Napheghy secured from fomento exclusive privileges for 15 years covering three operations: the introduction and use of a new "Godett" type soap making machine, the use of the Hepking method of bleaching beeswax, and the manufacture and sale of "volcanic paper" for roofing purposes.⁶⁰

Napheggy also proposed a colonization scheme which was accepted in modified form on June 16, 1856.⁶¹ In colonization, he proposed to take advantage of favorable conditions in both Mexico and the United States. A visit to the United States earlier that year had convinced him that the xenophobic policies of the Whig and Know-Nothing parties were making the United States less attractive to the European immigrants. In New York an archbishop and the directors of the Irish and German immigration societies had indicated that if Mexico would agree to aid the settlers the current of immigration could be shifted from the United States. This news was welcomed in Mexico where victorious liberals considered colonization a key to rapid economic development and progress. El heraldo had pointed to these same conditions as offering a golden opportunity for Mexico to secure its share of the European immigrants. The United States had betrayed the liberalism and idealism of its founding fathers; it was now expansionistic, arrogant, and anti-foreign.⁶² In May a new colonization law was passed giving new settlers exemptions from military service and from all but municipal taxes for three years, free import privileges for their equipment and supplies, the privilege of buying 100 acres of farm land at a nominal price, and Mexican citizenship for the asking.⁶³

With these developments in mind, Napheggy presented a nine point colonization proposal to fomento. He asked for authority to establish immigration agencies in New York,

Boston, and Philadelphia, headed by subagents who would receive one peso for each immigrant they could recruit. He proposed that ships bringing immigrants be exempted from all tonnage and other port duties, that immigrants be given free land, and that they be given broader exemptions from taxes than provided by the recent colonization law. His proposal was accepted minus the free land and broader tax exemptions.⁶⁴ As to the success of the recruitment program, El siglo XIX published an article the following year from the Louisiana Mail complaining of the success of Napheghy and his subagents in attracting immigrants away from the United States.⁶⁵

The following year Gabor and his brother Germann negotiated an unusual loan agreement with the Mexican government. On September 15, 1857, the Napheghy brothers signed a contract for \$2 million on behalf of two unidentified New York bankers. The agreement, which would make funds available to Mexico beginning in November and December, may have been a part of Comonfort's preparations to scrap the constitution. The loan would bear only 3.6% interest. Its unusual feature was the indirect method of repayment; the bankers would be allowed to conduct lotteries in Mexico until 1904. Over these 46 years 56 lotteries would be held, in each of which 100,000 tickets with an individual face value of \$20 would be turned over to the bankers. They could sell the tickets at whatever price the market would bear. Although the details were not made clear in the contract the government would apparently be responsible for paying

the prizes for each lottery and the bankers could retain all the proceeds from the sale of tickets.⁶⁶ If this interpretation is correct and they could have sold the tickets at face value, the bankers would have grossed \$112 million on a loan of \$2 million. The fate of this loan agreement is unclear; there is no indication that the full loan was made although the Napheghys were offering lottery tickets for sale in November 1857.⁶⁷ Since the loan was to begin with small installments, the New York bankers may have found that their supply of Mexican lottery tickets far exceeded the demand and have decided to use the political upheavals of December and January as a convenient pretext to scrap the loan agreement before they had gotten too deeply involved.

How the civil war may have affected the economic interests of Gabor Napheghy is uncertain. The Mexico City gas works probably continued without interruption, and in March 1859 a new contract was signed with the conservatives for expanded gas services.⁶⁸ The colonization plans, however, were rendered inoperative by the intestine strife. Napheghy remained in Mexico, however, for in late 1860 he served as the intermediary between the conservatives and Miguel Lerdo in the latter's attempts to find a compromise solution to the civil war.⁶⁹ In the post war electoral contest for the presidency, he supported Lerdo against Juárez and published a statement defending Lerdo against Ocampo's charges that the negotiations with the conservatives had been treasonous.⁷⁰ Napheghy's involvement with a losing

political faction did not hurt his standing with the government, however, for in March 1861 he contracted to purchase and transport to Mexico from New York three "batteries" of rifled cannons.⁷¹ In December 1862 he was an active purchaser of church property in Puebla under the nationalization law of 1859.⁷² In 1864 the empire regents cancelled Naphegy's lighting contracts for unspecified reasons and transferred them to another party.⁷³

A less spectacular American business man was George L. Hammeken, who served as the Rothschild agent in Mexico. His 1855 carta de seguridad indicated that he was a naturalized American citizen from New Orleans.⁷⁴ He was in Mexico City as early as 1850 when he acted as courier for a Tehuantepec transit treaty signed with Mexico by the American minister Robert P. Letcher.⁷⁵ At an unknown date Hammeken married the daughter of General José Antonio Mejía, the liberal and pro-American opportunist and adventurer who had been executed by Santa Anna in 1839.⁷⁶

In 1856 Hammeken secured a fomento contract to build an urban tram line between Mexico City's main plaza, the Zocalo, and Tacubaya some five miles away. By the standards of the period, Hammeken's contract was very conservative. It carried no land grants or subsidies to assist in financing construction. Work was to start within six months and be completed within two years. To guarantee completion of the line Hammeken was required to post a bond of \$15,000. He was denied the right to claim foreign protection and any

attempt to do so would result in automatic cancellation of the contract, as would failure to meet any of the time requirements established in it.

Despite the unattractive features of the contract Hammeken pushed forward with the work. The contract allowed him to use public property and streets for his roadbed and he could import duty free all the equipment needed for the road. The line and its property would also be exempt from taxes for fifteen years. The most attractive feature of the project was the profit making potential of a line connecting the center of the capital with its fast growing upper class residential suburb. A great burden was imposed on the line, however, by prohibiting the use of steam engines in the old part of the capital. As a result, steam could only be used from Tacubaya to Paseo de Bucareli, where mules would be hitched to the coaches for the one and a half mile trip to the Zocalo. The work proceeded so rapidly that in August 1857, only a year after the contract had been given, newspapers began indicating that the road would be complete within a few weeks. After having announced but postponed the inauguration of service several times, Hammeken confidently set New Year's Day, 1858, as the appropriate time to launch the new public service. Events were against Hammeken, however, as the first day of the new year found the capital paralyzed by the political struggles growing out of the Tacubaya coup of December 17.

Hammeken, like Ajuria and Temple, found that his

American citizenship and his identification with the liberal cause did not rebound to his benefit with the conservatives. After the conservative seized the city the elaborate inaugural ceremony was scaled down. On February 2 the inauguration of the line was combined, in a secondary position, with the dedication of an orphanage in Tacubaya. Even the combined services attracted only minor state and church functionaries. General Sierra y Rasso, who represented the government, took the occasion to praise the work not of Hammeken but of the wealthy conservative Antonio Escandon on the Mexico City-Veracruz railroad.⁷⁷

What happened subsequently between Hammeken and the Zuloaga government is not clear, but a claim filed later by Hammeken indicates that the conservatives refused to recognize the privileges granted by the original contract and in the ensuing dispute the line suspended operation. After the liberal government returned to Mexico. Juárez admitted that an injustice had been done to Hammeken but was unable to compensate him. In August of 1861 when Mexico's suspension of payments on the foreign debt threatened to provoke European intervention, Hammeken's service were recruited by Mexico to bring about an agreement among the American and British ministers, the representative of the British bondholders association, and the Mexican government, whereby the British debt would be covered by an American loan. For a successful conclusion of this arrangement Hammeken would receive \$100,000 from the loan to cover his losses under the conservatives.

When the complicated deal which resulted from Hammeken's efforts was rejected by the Mexican congress, Hammeken felt that he had suffered an additional loss. The matter was finally settled under the claims convention of 1868.⁷⁸

The most prevasive, if not the most powerful, American interest group in Mexico during the Reforma was the Hargous brothers, La Sere, and the others connected with the Tehuantepec transit question. The Hargous brothers, Peter in New York and Louis in Mexico, had been active in Mexican commerce and finance for years before the former acquired the first of two Tehuantepec grants in 1849. They were sufficiently established in Mexico by 1841 that they were expected to make loans to liberals exiled in the United States.⁷⁹ After acquiring the Garay grant in 1849, the Hargous brothers used their political influence to secure American diplomatic protection for their interest. When a competing concession was given to A. G. Sloo in 1853, Peter Hargous moved to secure control of his competitor by purchasing a mortgage on the Sloo grant held by an Englishman.

Sloo's efforts to retain independent control of his exclusive grant occasioned a long and bitter struggle with the Hargous interests. Pierce and Marcy tried to remain neutral, but the Hargous group succeeded in complicating Gadsden's territorial negotiations with the transit question by getting their agent, C. L. Ward, appointed to carry oral instructions to Gadsden. Forsyth later charged that his difficulties in Mexico resulted from his refusal to become

a servant of the Hargous interests. If Gadsden and Forsyth were in fact neutral on the Tehuantepec question they were exceptions. Their predecessors had made little distinction between national and Hargous interests. McLane was a close friend of La Sere, president of the Hargous dominated Louisiana Tehuantepec Company, and displayed a commendable zeal to protect American and Hargous interests in Tehuantepec.

John Pickett, the American consul at Veracruz, was as much an agent for the Sloo interests as a consul for the United States. His appointment to the post in 1853 was secured as a means of having a Sloo representative in this key position.⁸⁰ Pickett held the Veracruz post for the next four years during which he was called upon frequently to protect the Sloo interests. He paid bills, arranged clearances, issued favorable press releases, and on occasion advanced his own funds for use by the company.⁸¹ In December 1856, Pickett informed Washington that he would be absent from the consulate for several weeks because the Sloo Company had requested him to take supervisory charge of their operations in the isthmus until a new director could be found. Pickett informed Washington that protecting the Sloo position in Tehuantepec was "a kind of ex officio duty" attached to the consulate.⁸²

Pickett's close identification with Sloo hurt him when the pro-Hargous, and anti-Sloo, Benjamin became Buchanan's trusted advisor on Mexico affairs. Pickett also alienated the directors of the new Louisiana Tehuantepec Company by

allowing Sloo to use his proxy in an attempt to gain control of the new entity. The result was the appointment of R. J. B. Twyman, who was considered safe by the Hargous interests, to the Veracruz consulate in early 1858. In 1860, when Twyman was forced out of the consulate on the charge of incompetence, Pickett was returned to the post with the apparent blessing of the now tottering Tehuantepec interests.

For Hargous and those Americans interested in the Tehuantepec transit question, the most significant American turned out to be Emile La Sere. La Sere, a Democrat politician and newspaper editor, had met and befriended Juárez and the other liberals exiled in New Orleans during Santa Anna's dictatorship. His familiarity with liberal leaders was doubtlessly considered an advantage when he accompanied Benjamin to Mexico to negotiate a new contract in the summer of 1857. But none of the liberals he had befriended were then in the Comonfort government; Juárez was governor of Oaxaca, Mata had returned home to Jalapa, and Ocampo was enjoying one of his periodic renunciations of public affairs. Since Comonfort was engaged at that moment in a struggle with the puro dominated congress, La Sere's puro connections may have worked against the success of the negotiating mission. At any rate the contract secured in September was labelled by Forsyth as such a complete victory for Mexico that the official American position was weakened, a judgement repeated recently by the editor of the Juárez papers.⁸³

La Sere's friendship with Juárez became useful to both

the company and the liberal government after the fall of Comonfort. By July 1858, La Sere was busy assisting Mata in the search for loans and acting as a courier and advisor for the Veracruz government. His connections with Louisiana elements interested in the Tehuantepec transits and Veracruz trade made New Orleans a more hospitable credit market than New York. Although definitive evidence is lacking, it appears that the Tehuantepec transits became a pawn in the struggle over recognition, the Americans demanding expansion of the official and private American rights in the isthmus as a sine qua non for recognition and the Veracruz liberals using the possibility of expanded rights as a lever to secure recognition. Mata's early discussions in Washington involved delicate fencing on the questions of Tehuantepec and recognition.⁸⁴ The liberals, whose supply of trumps was limited, could ill afford to give up any concessions until recognition was assured. Since the Veracruz government controlled the isthmus area, the Louisiana Tehuantepec Company would favor recognition of Juárez. Through Benjamin's influence with Buchanan and La Sere's friendship with Juárez, the Tehuantepec interests were in an advantageous position to influence relations between Veracruz and Washington.

It is not possible to say just how influential the Tehuantepec interests may have been in bringing about American recognition of Juárez in April 1859, but certain developments were suggestive. While Churchwell was visiting the conservatives' camps in January 1859, Pierre Soulé was

negotiating in Veracruz. On February 2, Soulé agreed to loan the government \$500,000 for a year in anticipation of a revenue producing treaty with the United States. He would be repaid \$600,000 from any treaty funds, or could elect to receive $\frac{2}{3}$ of the repayment in public land at a nominal evaluation.⁸⁵ A week later Soulé secured from Miguel Lerdo, of hacienda, authorization to contract for a \$1.2-2.4 million loan in New York. This transaction would be tied directly to recognition; no money would be made available until the Veracruz government had been recognized by the United States.⁸⁶ While there was no mention of the Tehuantepec operation in these agreements, Soulé had not severed his connections with the Louisiana Tehuantepec Company.

More suggestive than Soulé's loans were the eleventh hour modifications made in the contract of the Louisiana Tehuantepec Company. On March 28, just four days before McLane's arrival at Veracruz a decree was issued materially modifying the provisions of the 1857 Tehuantepec contract. The modifications were justified as necessary to speed up work on the transisthmian railroad. The completion of the road was seen as vital to the future development of Mexico, yet the work "will not be able to continue without stimulating by means of generous concessions the foreign and national capitalists who have to make available the necessary funds." The original contract had not involved any land grant, but now the company would receive alternating square leagues of land whenever the road passed through public lands and an

additional league for every station or depot along the route. The earlier time schedules were liberalized in recognition of the delays resulting from the civil war; many of the more expensive obligations formerly imposed on the company were lifted; the life of the contract was extended an additional 15 years; and the company was allowed to suspend operations for long periods for reasons beyond its control (fuera mayor).⁸⁷ This generous concession was timed, intentionally or not, to coincide very closely with the arrival of McLane in Veracruz on April 1. The coincidence would have been greater had McLane's trip from New Orleans not been delayed when his official conveyance ran aground at the mouth of the Mississippi River, forcing him to return to New Orleans to board a commercial steamer.⁸⁸

Recognition of the Veracruz government and generous modifications in the contract were not sufficient to solve the financial difficulties of the Louisiana Tehuantepec Company. During the first few months after recognition the prospects appeared bright as La Sere and Soulé concentrated on raising loans for the Juárez government.⁸⁹ The picture darkened considerably, however, when the Hargous Company of New York failed later in the spring.⁹⁰ The financial collapse of Hargous, the principal figure behind the Louisiana Tehuantepec Company, produced an acute crisis in the company's financial picture. Benjamin was quickly dispatched to raise money in London, but this too failed. By October 1859, Mata was convinced that the company would never be able

to raise sufficient funds to undertake its construction commitments in the isthmus unless its position were strengthened by a treaty making the United States responsible for the security of the isthmian transit route.⁹¹

Hargous and Tehuantepec interests may also have played a part in the process of compromise which finally produced the McLane-Ocampo treaties. Any move to bring Mexico under the protection of the United States or to authorize American intervention to protect the transits would, as we have seen, enhance the transit company's chances for raising money. While any active role is uncertain, Louis Hargous, manager of Hargous interests in Mexico, was able to inform a business colleague on December 4, ten days before they were signed, that treaties would soon be made and to pass along in accurate outline the key points to be included.⁹² The failure of the treaties and the continuation of the civil war continued to weaken the company, however, and prevented any serious work in the isthmus. In recognition of these difficulties the liberal government again extended the contract deadlines in October 1860, and recognized that periods of civil war should not be counted.⁹³

The end of Mexico's civil war brought new problems for the Tehuantepec interests. The merchants and city government of Veracruz began pressuring the central government to shift its priorities from the Tehuantepec railroad to the road being built from Veracruz to the Pacific via Mexico City. They feared that if the Tehuantepec route were completed

first it would ruin Veracruz and seriously damage national interests. The location of the first completed trans-continental railroad in Mexico would determine the country's future commercial center; if this center should be in Tehuantepec it would be controlled by foreigners and would produce little, if any, benefits for the Mexican economy.⁹⁴ The petitioners requested that special import taxes which had been enacted earlier to subsidize the construction of the Veracruz route be reinstituted and funds diverted from that purpose during the civil war be replaced.

The Veracruz commercial interests had nothing to fear as it turned out. The American civil war beginning in April 1861 and the French intervention beginning the following year rendered it impossible for any work to be carried forward in Tehuantepec. Despite these tribulations, La Sere maintained and cultivated his relations with Juárez so that in 1867 when the contract of the Louisiana Tehuantepec Company was declared to have lapsed a new contract was given the La Sere Company of New Orleans.⁹⁵

The Cazneaus, William and Jane, made the most obvious use of their connections in the United States to acquire concessions in Mexico.⁹⁶ Jane Cazneau appears to have been the principal in this husband and wife team. She had travelled to Texas in the 1830's from her native New York with her first husband. In Texas she became a land speculator and colonization agent in the Matagordo area. She also became involved with Aaron Burr and was named correspondent

in his divorce action. By the 1840's her first husband had dropped out of sight and Jane was writing expansionistic editorials under the pseudonym Cora Montgomery. As noted earlier, she accompanied Moses Beach on a secret mission to Mexico during the war. Although the mission, to secure Church support for peace and the sale of land, failed, Jane proved her usefulness by conveying intelligence to the American army during its march up from Veracruz. She remained in Mexico City after the American occupation where she became acquainted with the senior members of the American command, especially General Franklin Pierce, who appears to have been greatly impressed by her many talents. After the war Jane married the wealthy Texas land speculator and politician William L. Cazneau and when Pierce was elected President the Cazneaus moved to Washington. During the Pierce administration William served as a special diplomatic agent to the Dominican Republic where he became involved in land speculations.

Jane Cazneau, who claimed kinship with Buchanan, did not openly attempt to use her influence in Mexican affairs until 1858 when the Juárez government was seeking recognition. The significance of her involvement at this point and her earlier abstention are not clear. She may have been unsympathetic toward the earlier Mexican regime; she may have become involved at this point because of sympathy for the liberal cause or because of acquaintance with leading liberals and puros; or she may just have merely realized the

advantages offered by the situation, with two competing groups bidding for recognition. The speed with which Mata contacted Jane Cazneau and enlisted her assistance after his arrival in Washington suggests that the liberals either already knew her or were aware of her potential usefulness. Within a few weeks of his arrival, she was assisting Mata in securing favorable publicity for the liberal cause.⁹⁷ After helping him get articles placed in the New York press, she arranged an interview for him with Buchanan and wrote a letter, discussed above, strongly advocating recognition of Juárez.

By August 1858, Mata felt so indebted to Mrs. Cazneau that he recommended approval of her husband's application to buy land on the island of Cozumel. Cazneau proposed to buy most of the island and Mata urged that the sale be made because Mrs. Cazneau had been of such great assistance. He reported that the newspaper she edited had been placed at his service and that her easy access to the president and members of the cabinet had been of inestimable value.⁹⁸

Mata's reasoning was accepted in Veracruz and he was authorized to make a contract within specified but generous limits. Cazneau was allowed to purchase no more than one third the total surface of the island and he must recognize the prior rights of any natives living on the land. The price would be less than \$.20 per acre, and he would have 10 years to complete the payments.⁹⁹ Mata, however, withheld action for more than five months, doubtlessly using the

delay to increase the pressure for recognition. The contract was signed in Washington on March 10, 1859, two days after McLane had been dispatched to Veracruz with authority to recognize a de facto government.¹⁰⁰

In the meantime, the Cazneaus had made a new bid for special favor. On February 3, Mata forwarded to Veracruz an application for permission to build a wagon road from the upper Rio Grande to the Gulf of California. He recommended approval of this project on its merits: by satisfying the American desire for access to the Gulf of California the threat to Sonora and Chihuahua could be lessened, with population and development the line would be a barrier against Indian raids, the road would open the resources of the area to exploitation, and such a project would counter the prevalent American attitude that Mexicans resisted "all civilizing tendencies" and viewed with hostility all material improvements and technological advances.¹⁰¹ Mata also noted the connection between the application and recognition. The proposal, he felt, really belonged to Mrs. Cazneau. "That lady works incessantly in our favor, in conferences with the President, in his political circles, and in the newspapers she edits."¹⁰²

Mata's major concern was that the privilege contain safeguards against abuse--free import privileges should be granted cautiously and grounds should be specified for cancellation of the contract. He also desired that the Mexican government gain from the road. He advised that the 50 square

leagues (approximately 253,010 acres) of public land requested by Cazneau be granted, but not in one block. Instead the grant should be for alternating blocks all along the roadway. This would allow the government to benefit from the appreciation of land values which would result from the completion of the road and the development of the land granted to Cazneau.

Again, this Cazneau request received expeditious handling in Veracruz, although the terms granted fell short of those requested. The free right of way through public lands was reduced from 200 yards in width to 100 yards. The grant of public lands was reduced from 50 leagues to 20 (101,204 acres), but the grantee was given great freedom in selecting the land. The remaining provisions were in keeping with those of earlier railroad grants--generous import exemptions, freedom from taxation, freedom to set charges. Specifically, the government stood to benefit from the concession by getting free passage for its officials, mail, and troops, and half fare for shipment of munitions. While the road, its equipment and operations, were promised immunity from all types of taxes, the company was required to pay the Mexican government \$1 for each passenger and \$.25 for each package transported. At the end of 25 years of operation, the road and all its equipment would become property of the government.¹⁰³

One intriguing item in the request was ignored in the concession. Cazneau had asked for the exclusive right to

operate vehicles on the road propelled steam, gas, or chemical agents. When informed of the provisions of the grant, Cazneau quickly noted and protested this omission. Such self-propelled vehicles were the way of the future, he felt, and the failure to give him exclusive privileges for operating such vehicles was a serious omission. When informed of Cazneau's protest fomento invited him to submit a separate application for the exclusive privilege of introducing, operating, fabricating, and selling such vehicles in Mexico.¹⁰⁴ There was no indication that Cazneau ever acted on this invitation.

Despite his apparent interest in the technology of transportation, there are no indications that Cazneau ever made any effort to carry out the provisions of the concessions which he received. The executive agreement signed by Ocampo and McLane for a military survey of two trade routes across northern Mexico would have helped the Cazneau project, but this survey project was not carried out. The pattern of their earlier and later activities leads one to suspect that both their Mexican projects, the purchase of land on Cozumel and northern wagon road, were merely covers for their primary object, land speculation. Both the Cazneaus had engaged in land speculation in Texas and their fortune reflected their success. During the Pierce and Buchanan administrations their interest in Santo Domingo had hinged on their hopes of acquiring choice pieces of Dominican real estate. During and after the American civil war the Cazneaus became involved in Jamaican real estate.

It is also interesting to note that in the spring of 1858 an American, Frank McManus, in association with other Americans and at least one Englishman, secured a railroad concession from the state of Chihuahua for a road following the same path as the Cazneau wagon road. This project was condemned by the Zuloaga government as merely a venture by land speculators.¹⁰⁵ Jane Cazneau's maiden name was McManus and she had been assisted in her Texas land deals by one of her brothers. While there is no evidence to directly link Frank McManus and his railroad-land speculation scheme of 1858 to Jane McManus Cazneau, the common surname and the similarity of projects in the same area are suggestive.

In addition to the Americans treated in this chapter there were many other Americans active in Mexico during the period. Many doubtlessly left no record that is discernable today. Others are shadowy figures flitting across the historical scene as names to whom passports and security certificates were issued or as names appearing in consular reports as victims of disease, accident, or mistreatment. Still others flashed brilliantly but briefly on the stage; William G. Steward and his telegraph were the center of attention in 1855-56, but then drop from view. Ramsey, Fox, Moore, and Isham appeared only long enough to secure concessions.¹⁰⁶ Some were only notable for their ludicrous proposals, e.g., an application for a railroad down Baja California was supported by a statement extolling the great agricultural potential of this desert area.¹⁰⁷

Although clear evidence does not exist to indicate the nature of their activities, most American diplomatic and consular agents also engaged in private business. Both Gadsden and Forsyth delayed their departures from Mexico in order to wind up undefined business affairs.¹⁰⁸ During this period it was expected that consular officials would supplement their meagre salaries by engaging in commerce. Franklin Chase in Tampico and John T. Pickett in Veracruz were clearly involved in commercial activities. Pickett complained that his official duties were so heavy he had insufficient time for his private affairs.¹⁰⁹ Pickett also considered his work for the Louisiana Tehuantepec Company "as a kind of ex officio duty" of his consular post.¹¹⁰

Finally, there must have been many adventurer-opportunists among the Americans in Mexico; Zerman, while the best known, could not have been alone in this category. Zerman first came to Mexico as a soldier of fortune to fight on behalf of the Ayutla rebels. He and his followers were arrested and spent most of the following two years in jail as their case dragged through the courts. Despite this experience, Zerman's services were still for hire in January 1858 when he took up arms in behalf of Comonfort. Having escaped from Mexico after the fall of Comonfort, Zerman changed the locale and nature of his operations; he became an arms and loan agent in the United States for the liberals.¹¹¹ He continued in this role during the French intervention, eventually transferring his base of operations to Europe.¹¹²

Within the wide variety of activities and attitudes surveyed in this chapter, an almost universal characteristic was the personal element in the relationship between American investors, entrepreneurs, and agents, on the one hand, and the Mexican government on the other. Personal acquaintance with and favors to high Mexican officials were often more important than the feasibility or desirability of the project being advanced. Of the several individuals treated in this study, only two, William Steward and J. F. Fox, failed to reveal evidence of personal ties with senior government officials, yet from the pattern existing elsewhere, one suspects such ties existed. One can not estimate how many feasible and beneficial projects may never have gotten far enough to leave archival tracks because their backers lacked the personal acquaintance of senior officials.

Another obvious characteristic of this period was the willingness of governments, especially that of Mexico, to use private economic interests for political purposes. Concessions were granted, delayed, or withheld to influence political events. To protect their interests and concessions Americans were frequently expected to make loans, serve as loan agents, undertake quasi-diplomatic missions. In a previous chapter we saw how Forsyth did not hesitate to use American citizens and risk their property to pressure the Zuloaga government. The expulsion of Solomon Migel indicated how far Forsyth was willing to go in pursuing this type of policy.

A difficulty inherent in the situation which few, if any, of the Americans appear to have recognized was scarcity of credit in the United States. The American entrepreneurs appear to have assumed that the United States was a capital exporting country, an assumption shared by the Mexican liberals until Mata's experience proved otherwise. Butterfield, Benjamin, and most of those involved in railroad projects were unable to raise adequate financing in the United States. Despite the desires of Mexican liberals, American diplomats, and American entrepreneurs, London, not New York, was the world money market in mid-nineteenth century.

NOTES

1 Berryville, Va: n.p., n.d.

2 The memorial biography of Daniel Butterfield, civil war general and son of John Butterfield, has no reference to a Charles or Carlos Butterfield, Julia Lorrillard Butterfield (ed.), A Biographical Memorial of General Daniel Butterfield, Including Many Addresses and Military Writings (New York: Grafton, 1904).

3 Heitman, United States Army.

4 Shaw, Butterfield, pp. 1-3.

5 John M. Leitch to William H. Seward, June 19, 1867, "Letters of application and recommendation during the administration of A. Lincoln and A. Johnson," NA.

6 Shaw, Butterfield, pp. 1-5.

7 Shaw, Butterfield, pp. 7-8.

8 Francisco G. Palacio to Caleb Cushing, mixed claims commission, Oct. 18, 1871, pp. 15-16 of claim #966A, I/242 (73:72)/1, ASRE.

- 9 Shaw, Butterfield, pp. 2-3.
- 10 Shaw, Butterfield, p. 10.
- 11 Letter of authorization from Santa Anna, Dec. 30, 1853, in Shaw, Butterfield, pp. 2-3.
- 12 Hacienda accounting in El siglo XIX (Mexico City), Feb. 23, Mar. 4, 18 and 21, 1855.
- 13 Francisco G. Palacio to Caleb Cushing, Oct. 18, 1871, pp. 15-16 of claim #966A, I/242(73:72)/, ASRE.
- 14 Pp. 905-911, vol. 3, RBO/NA. This may have been the basis for the \$1 million claim against Denmark.
- 15 Mata's private communications to Ocampo, AHINAH, and his official reports to MRE in ASRE are filled with references to Butterfield's efforts to secure arms and credit.
- 16 Butterfield to Matías Romero, Mexican minister at Washington, Mar. 11, 1867, AMR/CR.
- 17 Butterfield to Plumb, July 12, 1861, H/653(72:73) "861"/, ASRE.
- 18 Shaw, Butterfield, pp. 4-5.
- 19 In 1876 Butterfield sought Romero's support for additional compensation, Shaw, Butterfield, pp. 11-12.
- 20 Letter quoted in Shaw, Butterfield, p. 4.
- 21 Mata to Ocampo, Apr. 14 and Aug. 15, 1859, 8-4-118 and 134, AHINAH; and Corwin to MRE, Sept. 25, 1861, H/653(72:73) "861"/, ASRE.
- 22 Shaw, Butterfield, p. 10.
- 23 Pp. 5-7, 63-64, 85-90, 181-195, and 262-273, folio 272, III/350(72:73)/1, ASRE.
- 24 Butterfield, Steamship Line, passim.
- 25 [Carlos Butterfield], The National Debt and the "Monroe Doctrine: How to Extinguish the One and Establish the Other. A Practical Plan to Secure the Peace and Prosperity of the Spanish-American States, and Greatly to Augment the Commerce and Wealth of the United States (New York: n.p., 1866).
- 26 1:370.
- 27 Temple, "Memoria justificativa," pp. 50 and 143-160.

- 28 Contract and related papers in folder 17, CP, GC/UT.
- 29 Diccionario Porrúa, 1:370.
- 30 Folder 17, CP, GC/UT.
- 31 Hacienda, Memoria (1857), pp. 23-27 and Temple, "Memoria justificativa," pp. 1-3, give details of contact letting.
- 32 Hacienda, Memoria (1857), p. 6.
- 33 (Mexico City), Sept. 24, 1857, The same facts were brought out in congress, Zarco, Congreso constituyente, p. 813.
- 34 El heraldo (Mexico City), Sept. 24, 1856; and Zarco, Congreso constituyente, p. 969.
- 35 Temple, "Memoria justificativa," p. 12.
- 36 Hacienda, Memoria (1857), p. 628 and Butterfield, Steamship Line, app., p. 58.
- 37 José Antonio de Mendizábal, Exposición que José Antonio de Mendizábal, albacea de Don Juan Temple, dirige al gobierno mexicano pidiéndole el cumplimiento del contrato de 28 de Junio de 1856 (Mexico City: F. Díaz de León y Santiago White, 1868), pp. 22-28; and Temple, "Memoria justificativa," pp. 10-13.
- 38 Gabriac to Paris, Dec. 10, 1856, in Díaz, Versión francesa, 1:377.
- 39 Gabriac to Paris, Oct. 31, and Dec. 10, 1856, in Díaz, Versión francesa, 1:358 and 378.
- 40 Gabriac to Paris, Nov. 22, 1857 and Jan. 1, 1858, in Díaz, Versión francesa, 1:439 and 451.
- 41 Gabriac to Paris, Nov. 1, 1856, in Díaz, Versión francesa, 1:359.
- 42 Gabriac to Paris, Nov. 22, 1857, in Díaz, Versión francesa, 1:438.
- 43 Passenger lists, vol. 38, legajo 10, "movimiento marítimo," AGN.
- 44 Comonfort to Arriaga, Nov. 7, 1860, JM.
- 45 Fletcher, "Prospecting Expeditions," pp. 27-28.
- 46 Alvarez to Mackintosh, May 15, 1856, folder 94, Manning and Mackintosh papers, GC/UT.

47 Temple, "Memoria justificativa," pp. 12-13.

48 The company's exaggerated account of developments during the civil war is given in Temple, "Memoria justificativa," p. 12-29 and 61-75.

49 Temple, "Memoria justificativa," pp. 115-118.

50 Temple's account of the damages were presented in two pamphlets, Temple, "Memoria justificativa," and Mendizábal, Exposicion.

51 Scattered documents dealing with the contract are found in two ASRE files, H/110(73:0)"861"/1, and H/616.21 "861"/1.

52 Bazant, Church Wealth, p. 233. There are inconsistencies in the spelling of the name; Napheghy, Naphegy, and Nafegyí are the variations encountered most frequently.

53 Apuntes historicos de la heroica ciudad de Veracruz precedidos de una noticia de los descubrimientos hechos en las islas y en el continente americano, y de las providencias dictadas por los reyes de España para el gobierno de sus nuevas posesiones, desde el primer viaje de Don Cristobal Colón, hasta que se emprendió la conquista de México, 3 vols. (Mexico City: Ignacio Cumplido, 1850-57), 3:40-41.

54 El heraldo and El siglo XIX (Mexico City), June 19, 1856.

55 El heraldo (Mexico City), Oct. 15, 1856.

56 El heraldo (Mexico City), Dec. 15, 1856.

57 El heraldo (Mexico City), Aug. 3, 1857.

58 Napheghy to fomento, June 9, 1856, in El heraldo (Mexico City), June 25, 1856.

59 El heraldo (Mexico City), Oct. 15, 1856.

60 El siglo XIX (Mexico City), Feb. 9, 1857.

61 El heraldo (Mexico City), June 25, 1856.

62 El heraldo (Mexico City), Mar. 31, 1856.

63 Fomento decree, May 10, 1856, in El heraldo (Mexico City), June 15, 1856.

64 El heraldo (Mexico City), June 25, 1856.

65 El siglo XIX (Mexico City), Feb. 22, 1857.

- 66 Dublán and Lozano, Legislación, 8:635-636.
- 67 Gabriac to Paris, Nov. 22, 1857, in Díaz, Versión francesa, 1:439.
- 68 The 1859 contract was cancelled by an empire grant, Jan. 26, 1864, "gobernación," 2058, AGN.
- 69 Lerdo to Juárez, Nov. 4, 1860, Juárez, Documentos, 3:31-32.
- 70 El heraldo (Mexico City), Feb. 2, 1861.
- 71 El heraldo (Mexico City), Mar. 22, 1861.
- 72 Bazant, Church Wealth, p. 233.
- 73 Regents decree, Jan. 26, 1864, "gobernación," 2058, AGN.
- 74 "Cartas de seguridad," vol. 150, legajo 30, AGN.
- 75 Letcher to Clayton, June 24, 1850, in Juárez, Documentos, 3:174-175.
- 76 Fuentes Mares, Santa Anna, pp. 166-167 and H/352 (72:73)/9, ASRE.
- 77 Although bits and pieces of the above account were gleaned from the columns of El heraldo (Mexico City), the body of the account is drawn from Torre Villar, "El ferrocarril de Tacubaya," pp. 377-385.
- 78 Zorilla, México y los Estados Unidos, 1:498-500.
- 79 Gómez Farias to P. A. Hargous, Mar. 21, 1841, folder 47B, 802, GFP, GC/UT.
- 80 "Applications and recommendations for public office, Franklin Pierce and James Buchanan," NA; and Pickett to Buchanan, Nov. 4, 1857, BP/PHS.
- 81 Pickett to Buchanan, Nov. 4, 1857, BP/PHS, and El siglo XIX (Mexico City), Mar. 3, 1857.
- 82 Pickett to J. Addison Thomas, Dec. 30, 1856, NA/CD/VC.
- 83 Juárez, Documentos, 3:350-351.
- 84 Indications of this fencing can be seen in Jane Cazneau to Buchanan, June 5, 1858, BP/PHS, and Mata to Juárez, July 2, 1858, JM.

85 Contract, Feb. 2, 1859, pp. 44-45, H/110(73:0)
"858-59"/1, ASRE.

86 Power of attorney, M. Lerdo to Soulé, Feb. 8, 1859,
p. 45, H/110(73:0)"858-59"/1, ASRE.

87 Decree, Mar. 28, 1859, in Dublán and Lozano,
Legislación, 8:666-667.

88 McLane to Cass, Apr. 7, 1859, NA/DD.

89 Mata to Ocampo, Apr. 14, 1859, 8-4-118, AHINAH.

90 Mata to Ocampo, June 6, 1859, 8-4-123, AHINAH.

91 Mata to Ocampo, Oct. 23, 1859, 8-4-142, AHINAH.

92 L. S. Hargous to Manuel I. Madrid, Dec. 4, 1849,
Manuel I. Madrid Papers, folder 93, 235, GC/UT.

93 Decree, Oct. 8, 1860, in Dublán and Lozano,
Legislación, 8:756.

94 El heraldo (Mexico City), Mar. 20, 1861.

95 Marcelo Bitar Letayf, La vida económica de México de 1824 a 1867 y sus provecciones (Mexico City: Escuela Nacional de Economía, Universidad Nacional Autónoma de México, 1964), p. 254.

96 The following account is based on the entries for William Leslie Cazneau and Jane McManus in Webb, Handbook of Texas, 1:318 and 2:122, and the biographical sketch in Jane McManus Cazneau Papers, UT.

97 Mata to Ocampo, Aug. 21, 1858, 8-4-105, AHINAH.

98 Mata to Ocampo, Aug. 21, 1858, 8-4-105, AHINAH.

99 MRE to Mata, Oct. 3, 1858, pp. 55-56, H/110(73:0)
"858'59"/1, ASRE.

100 Contract, Mar. 10, 1859, p. 58, H/110(73:0) "858-59"/1, ASRE, and Cass to McLane, Mar. 7, 1859, NA/DI.

101 Mata to MRE, Feb. 3, 1859, H/651.1(72:73)"858"/, ASRE.

102 Mata to Ocampo, Feb. 19, 1859, 8-4-114, AHINAH.

103 M. Lerdo, fomento, to MRE, Apr. 1, 1859, H/651.1
(72:72)"859"/, ASRE.

104 Mata to MRE, May 6, 1859, and notes exchanged between MRE and fomento, May 21, 1859, H/651.1(72:73)"858"/, ASRE.

105 H/651.2(721.4)"858"/, ASRE.

106 Ramsey, a grant for a railroad from the Gulf of Mexico to Acapulco; Fox, for steam navigation on Rio Balsas; Moore, for a railroad across northern Mexico; and Isham, for mail steamer service on the Pacific coast.

107 "Fomento," AGN.

108 Gadsden to Marcy, Oct. 23, 1856, and Forsyth to Cass, Sept. 18, 1858, NA/DD.

109 Pickett to Jeremiah S. Black, Feb. 15, 1861, NA/CD/VC.

110 Pickett to J. Addison Thomas, Dec. 30, 1856, NA/CD/VC.

111 Mata to Ocampo, July 4, 1858, 8-4-101, AHINAH.

112 AMR/CR, 1864-67, passim.

CHAPTER VIII EPILOGUE

While conclusions have already been drawn in each of the preceding chapters, a review and recasting of some of these in more general terms seems worthwhile at this point. The most striking impression growing out of this study is the degree to which the Mexican liberals, despite their numerous political problems, were devoted, in both thought and action, to a program of economic development. The moderates, liberals, and puros shared a deeply felt need to shed the colonial heritage and to enjoy the social, political, and economic benefits of a modernized economy and to develop the resources of Mexico. In deed and word, Miguel Lerdo was most frequently in the forefront of this movement, but his goals, if not his methods were shared by other leading figures, from the moderate Comonfort to radicals such as Zarco, Ocampo, and Juárez.

The Mexican liberals also displayed an almost equally universal admiration for the political, economic, and social institutions (except slavery) of the United States and a desire to draw tighter the bonds between the two countries. They saw various advantages as obtainable from such a relationship: American capital and technology for development, political security for a liberal regime against domestic and

European enemies, and the creation of a hemispheric alliance for the protection and promotion of democracy and republicanism. To most liberals these benefits could best be secured by establishing Mexico as an economic protectorate of the United States.

Such a relationship was seriously considered by the liberals on three distinct occasions. Only on the first of these, August-September, 1855, was it rejected, and then only because the moment was inopportune in terms of domestic politics. On the other two occasions, 1857 and 1859, the liberals signed and actively supported treaties embodying the protectorate arrangement. Both the Comonfort and Juárez governments publicly endorsed treaties which, while avoiding mention of protectorate, provided in fact for such, and in neither case was there any significant public outcry against the treaties.

Reasonable intelligent American diplomacy could have secured a protectorate over Mexico at almost any time after the victory of the Ayutla revolution in 1855, a relationship which would have opened the Mexican resources and economy to unrestricted American exploitation and development. What such an arrangement might have meant to the future of the two countries is a fertile field for speculation. If the arrangement had been achieved early, before the constitution was published in February 1857, the Mexican civil war might have been avoided and with it most of the conditions which contributed to the subsequent French intervention.

Had effective American aid been extended to the liberals during 1858, the first year of the civil war, the liberals might have been able to shorten the civil war and minimize its destructive consequences and again have avoided many of the conditions which contributed to the French intervention.

On the American side it seems reasonable to assume that adequate presidential leadership could have secured congressional approval of treaties giving the United States economic control over Mexico at any time prior to December 1859 when sectionalism and the weakened Democratic position in the 36th congress rendered presidential leadership ineffective. What effect such an arrangement might have had on the developing American sectional struggle is more difficult to assess. If the Mexican moves had been made in such a way as to strengthen, or appear to strengthen, the pro-slavery South, a final crisis might have been provoked at an earlier date over different questions and under very different conditions. The variables in such a historical equation are so many that no acceptable grounds exist for further speculation on the question of the American civil war.

If, on the other hand, the policy of economic expansion in Mexico had been cast in terms of bringing national rather than sectional benefits to the Americans it seems reasonable that the challenge of developing the real or imagined resources of Mexico, commercial and mineral, might have diverted American attention sufficiently from sectionalism to have at least delayed the final crisis and civil

war for years or possibly decades. Had the American sectional crisis been moderated or indefinitely postponed it is unlikely that the French would have been willing to assume the risks involved in a unilateral intervention in Mexico. If American domination of Mexico had been achieved, the French would have had to rationalize any subsequent intervention on ideological grounds, in behalf of conservatism and monarchy, rather than economic and commercial; for, as the British foresaw, American dominance in Mexico would probably have enhanced European trade and investment prospects rather than damaged them.

The most difficult question to answer in this exercise of imagination is the long-term impact of American domination on Mexican independence and nationalism. American economic penetration and control of Mexico might have served, as Forsyth and Gabriadt prophesized, only as a preliminary period of Americanization prior to annexation. It takes no more active imagination, however, to see the special arrangement between Mexico and the United States as Ocampo envisioned it, as a first step toward the creation of hemispheric solidarity based upon an association of republican and more or less democratic states operating under a multi-lateral version of the Monroe Doctrine. It is equally plausible, however, to see an American economic protectorate as the beginning of a long and superficially placid period of economic development for Mexico as an American colony and to see the relationship terminated by a violent and destructive war of national

liberation. How such a war would have fitted into 20th century global politics is sufficiently frightening to cure one from giving unbound freedom to the play of imagination.

But the special relationship was not established and credit, or blame, for this failure must be sought in the United States, not Mexico. Much of the responsibility rests with Buchanan who demonstrated time and again his lack of understanding of and sympathy for commercial and economic objectives. His vision of American hemispheric policy was restricted by a blind faith in Manifest Destiny. Lacking in imagination and decisiveness as a leader and seeing the presidency largely in passive terms, he was unable to divert national attention from the divisive questions of sectionalism and slavery. His appeals to the expansionist traditions were opposed by his own diplomatic agents and unheeded by congress.

Buchanan may have been no more unrealistic, however, than were the advocates of a policy of economic expansion. As Mata and Benjamin discovered, the United States did not have a national capital structure capable of financing the types of development projects envisioned by Forsyth, Butterfield, and the Mexican liberals. In the absence of an adequate capital market the only alternative would have been governmental financing and the most effective presidential leadership would have had little chance of carrying through such a policy in the face of mid-nineteenth-century American attitudes about the proper role of government.

The French intervention and the American civil war interrupted but did not destroy the pattern of relationships and attitudes which developed in Mexican-United States relations during the Reforma. Failure to make significant strides toward realizing their development goals did not lessen the Mexican liberal's faith in progress or his admiration of the United States as a model. During the restored republic positivism would give this belief in the inevitability of progress a pseudo-intellectual base and under the long porfiriato would realize many of the developmental dreams of Miguel Lerdo, Prieto, Zarco, Mata, and the Reforma puros. Forsyth, Butterfield, Mata, and Miguel Lerdo had pointed the direction and pioneered the trail that would be followed by the next generation and many of those who would lead the way down that trail, such as Edward Lee Plumb and Matías Romero, had served their apprenticeships during the Reforma.

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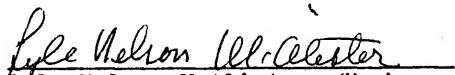
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BIOGRAPHICAL SKETCH

Donathon Carnes Olliff, son of Otho Keland and Hettie (Carnes) Olliff, was born in Houston County, Alabama, on January 11, 1933. He married Bobbie Deloise Johnson and they have two children, Gregory Keith and Karen Marie. He was educated in the Houston County public schools, Chipola Junior College, and Auburn University, where he received degrees of Bachelor of Arts in 1957 and Master of Arts in 1966. He began a program of study for the doctorate at the University of Florida in 1965. He was in the United States Army, 1952-1955. He worked as a Foreign Service Officer with the Department of State from 1959-1964 in Mexico and Pakistan. Currently he is a member of the history faculty, Auburn University.

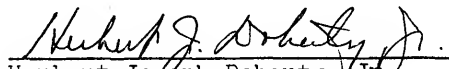
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Professor of History

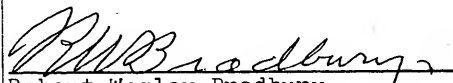
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This dissertation was submitted to the Graduate Faculty of the Department of History in the College of Arts and Sciences and to the Graduate Council, and was accepted as partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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